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Copyright in the Internet with Reference to Malaysia

Abstract

This thesis examines selected legal issues of copyright law in respect of the internet. The thesis focuses on Malaysian and UK Copyright law concerning; accessing web pages; linking; framing and caching. Since the internet is in use globally, law at an international, regional and national level have been examined in order to find solutions to these selective issues.

At the regional level, European Union law is analysed. The Information Society Directive covers two of the selected issues (accessing web pages and caching). However there are still gaps in the Information Society Directive regarding the two other issues of framing and linking. In UK Copyright law, since the UK has implemented the Information Society Directive, a new section has been added to the Amendment Act, which covers accessing web pages and caching, but the UK Statutes do not expressly cover framing and linking. However, linking may be allowed under the general rule of implied licence.

The Malaysian Copyright (Amendment) Act of 1997 has provided for the internet where a new section has been created that is the right to control the communication of copyright works to the public. However, there is no specific legislative provision on transient copies (accessing web page and caching) under this Act. However, accessing web pages may be covered under another provision which permits copies to be made in any form or version. Caching however is provided for under another provision. In the USA, provision on safe harbour provides the ISP with protection against action of infringement. The US Copyright law covers all the selected issues except framing. The conclusion reached in this thesis is that Malaysian law provides legislative solutions only for some of the selected copyright issues in respect of the internet but, in general, it is still inadequate and needs to be improved.



Copyright in the Internet with Reference to Malaysia

Nor Saadah Abd Rahman

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Ph.D
University of Durham
Department of Law
2004



04 NOV 2005

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Declaration

No part of this thesis has previously been submitted for the award of a degree in the University of Durham or any other university. The thesis is based solely upon the author's research.

Statement of Copyright

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Tables of Statutes

International

Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS), also available online at http://www.wto.org/wtoenglish/tratop_e/trips_e/intel2_e.htm

The Berne Convention

The WIPO Copyright Treaty 1996

The WIPO Performance and Phonograms Treaty 1996, also available online at <http://www.wipo.int/clea/docs/en/wo/wo033en.htm>

<http://www.wipo.org/about-wipo/en/gib.htm>

European Union

Directive 2001/29/EC of the European Parliament and of the Council on the Harmonisation of Certain Aspects of Copyright and Related Rights in the Information Society ("The Information Society Directive"), also available online at <http://www.mda.org.uk/mcopyg/ec.htm>.

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The Proposal for a Regulation of the European Parliament and of the Council on the Implementation of the Internet Top Level Domain “EU”. COM(2000)827 final.

The White Paper on Copyright and Related Rights in The Information Society.

Towards a Knowledge-based Europe. The European Union and the Information Society Manuscript for Information Brochure for the General Public, European Commission, Directorate General for Press and Communication, October 2002.

United Kingdom

Draft Amendments to the 1988 Act Covering the Main Changes Proposed to Implement Directive 2001/29/EC, also available online at <http://www.patent.gov.uk/about/consultations/eccopyright/annexa.htm>

Consultation on UK Implementation of Directive 2001/29/EC on Copyright and Related Rights in the Information Society: Analysis of Responses and Government Conclusion, also available online at <http://www.patent.gov.uk/about/consultations/responses/copydirect/article6.htm>.

The Copyright Act of 1911

The Copyright Act of 1956

The Copyright, Designs & Patents Act of 1988

The Copyright and Related Rights Regulations of 2003

Malaysia

The Telegraph Ordinance of 1895

The Telegram Copyright Ordinance of 1902

Civil Law Act of 1937

The Civil Law ordinance of 1956

The Copyright Act of 1969

The Copyright Act of 1987

The Copyright (Amendment) Act of 1990

The Copyright (Amendment) Act of 1996

The Copyright (Amendment) Act of 1997

The Copyright (Amendment) Act of 2000

The Copyright (Amendment) Act of 2002

The Copyright (Amendment) Act of 2003

The Communications and Multimedia Act of 1998.

The Content Code

United States of America

The Digital Millennium Copyright Act of 1998, available online at
<http://cyber.law.harvard.edu/openlaw/DVD/dmca/p1105-304.txt>.

The US Copyright Act, also available online at
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4. Australian Shipbuilding Industries (W.A) Pty. Ltd.v Assets Able Pte.Ltd. Anor.[1987] 2 MLJ 17.
5. Autodesk Inc v Dyson [1993] 25 IPR 22
6. Banier v News Group Newspapers Ltd. [1997] FSR 812
7. Bernstein v JC Penny Inc. 50 U.S.P.Q.2d 1063 C.D.Cal
8. Betts v Wilmott [1871] 6 Ch. 239
9. Bly v Banbury Books Inc. 638 F.Supp. 983
10. British Broadcasting v British Satellite Broadcasting Ltd. [1992] Ch 141
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30. L.A Gear Inc.v Hi-Tech Sports plc 1992 FSR 121

31. Ladbroke (Football) Ltd v William Hill (Football) Ltd. [1964]1 WLR 273
32. Lau Foo Sun v Kerajaan Malaysia [1974] MLJ 28
33. Lee Yee Seng & Ors. v Golden Star Video Bhd. [1981] 2 MLJ 43.
34. Longman Malaysia Sdn. Bhd. v Pustaka Delta Pelajaran Sdn. Bhd. [1987] 2 MLJ 359
35. MAI Systems Corporation v Peak Computer Inc. 991 F.2d 511, 518 (9th Cir. 1993).
36. Microsoft Corp. v PC House (Imbi) Sdn. Bhd. [1998] 6 MLJ 402.
37. Mohd. Ramly @ Zulkifli bin Ismail v Sarimah Filem Production Sdn. Bhd. & Anor. [1984]1 MLJ 105
38. MP3Board Inc.v Recording Industry Ass'n of Am. C-00 20606 RMW p.1 (N.D. Cal. Jun 2, 2000)
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49. Sony Corp. of America v Universal City Studios Inc. 464 U.S 417, 430 (1984)
50. Sony Music Entertainment (UK) Limited and others v Easyinternetcafe Limited 2003 E. C. D. R. 27
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List of Abbreviations

AMR	All Malaysia Reports
CLJ	Current Law Journal
EIPR	European Intellectual Property Review
ELR	European Law Review
FSR	Fleet Street Reports
IPQ	Intellectual Property Quarterly
IPR	Intellectual Property Review
JILT	Journal of Information, Law and Technology
LR	Law Report
MLJ	Malayan Law Journal
RPC	Report on Patent Cases
WLR	The Weekly Law Report

Introduction

This thesis examines certain aspect of the relationship between copyright law and the internet. The Internet is a global communication mechanism, which has transformed the means of communication and the supply of information. This makes it very difficult, if not impossible, for those having property rights over the information to enforce those rights. Since the internet is accessible from almost everywhere in the world, it poses problems to copyright laws which are primarily national. The internet itself formed the environment where copyrighted work can be digitised and distributed almost instantly around the world and changes to these protected works can be made easily.

The thesis analyses some legal issues concerning accessing web pages, framing, linking and caching which are raised by the internet challenge to the existing law of copyright. The objective of the thesis is to explore the solutions that can be found at international, regional and national levels to deal with the identified challenge to the internet. The thesis is a comparative study focusing on Malaysian and the UK Copyright Law. The research is carried out in the UK and Malaysia. The legal research involves the use of libraries in Malaysia and the UK, law journals, case law, current publications in legal and related fields and computerised search systems. In conducting the legal research in Malaysia a few libraries have been used, namely the University of Malaya, International Islamic University, the Universiti Teknologi Malaysia, the Universiti Teknologi Mara, the Ministry of Energy, Communications and Multimedia.

The methodology of the thesis is primarily library research undertaken in Malaysia and the UK. The methodology also includes interviews with Malaysian Officials. The interviews were carried out in Malaysia where the officers from various organisations in Malaysia were interviewed. They were from the Ministry of Internal Affairs and Consumer protection, the Attorney General's Office, and also from the Malaysian Institute of Micro Electronic Systems Bhd. (MIMOS). The interviewees were; the Assistant Director of the Copyright, Intellectual Property Division in the Ministry of Domestic Trade and Consumers Affairs; the Senior Assistant Draftsman of the Attorney General's Office; and the Legal Advisor of Malaysian Institute of Micro Electronic

Systems Bhd. (MIMOS). Some primary sources for this research were gathered through these interviews.

The thesis is divided into two parts. The first part of the thesis examines the evolution of copyright law and the modern law of copyright of Malaysia and the UK and also the internet challenge to copyright law. The second part of the thesis analyses legal issues that have emerged from the internet's challenge to copyright and the measures taken by the national systems, supranational and international organisations to maintain the balance between the copyright owner's rights (the private interest) and the public right to access information (the public interest). The development of UK law is also examined. The final chapter focuses on Malaysia and on the measures taken by Malaysia in controlling the internet and, at the same time, maintaining the balance between the private and public interests.

The question to be addressed is how far Malaysia and the UK have taken measures to keep their traditional Copyright laws abreast with the changes brought about by the internet. Both Malaysia and the UK have enacted amendments to their Copyright Acts but how far do these amendments address these issues? Another question to be addressed is how far selected legal issues concerning the internet have been addressed at international and regional levels. Are the amendments sufficient or are further amendments required to address these issues?

Chapter 1 traces the evolution of Malaysian Copyright law. It examines the history of the Malaysian legal system right from the beginning, that is, before the colonial period, the colonial period and until the Copyright Act of 1987. The evolution of UK copyright law until the Copyright, Designs and Patents Act of 1988, before the recent amendment to the CDPA by the Copyright and Related Rights Regulations of 2003 is also discussed in this chapter. The chapter provides the background to the thesis.

Chapter 2 analyses the aspects of copyright principles that are closely affected by the advancement in technology. The exclusive rights of the copyright owner have been challenged by the emergence of the internet. The exclusive rights granted to the copyright owner in Malaysian and UK law are examined in this chapter.

However only infringement by copying and infringement by communication to the public will be discussed because these infringements are relevant to the legal issues

selected for analysis in this thesis. In addition some defences will also be considered. The principles of fair dealing under UK law will be examined (comparable to the doctrine of fair use in US Copyright law) and the defence of implied licence will be considered in this chapter.

Although there are a large number of legal issues that arise from the emergence of the internet, it is impossible to discuss each and every issue. Thus, the discussion in Chapter 3 focuses on a few selected issues namely accessing web pages, linking, framing and caching. These issues were chosen because all the works put up in websites can be accessed, copied and linked by the internet user at any time and even a simple act of browsing the website, involves several acts such as copying, storing and caching. This raises the question whether these acts are in breach of existing Copyright law principles. The chapter discusses mainly the technical aspects of these issues and considers whether it conflicts with traditional copyright principles. The law on these issues and the latest development of the Copyright law and the internet will then be discussed in the next chapter, chapter 4.

Chapter 4 examines the law at various levels, that is at the international, regional and national levels, in order to explore how far the law has reacted to the technological challenge and to provide legal solutions to problems raised by the internet.

At the international level, the attempts made by WIPO in handling these issues are examined. Similarly, at the regional level, the EU's efforts in adopting the necessary new laws to address these issues are considered. At a national level, UK law is examined, and since the US is the leader of the development in the internet, US law will also be referred to in this chapter.

Chapter 5 focuses on the Malaysian development in the Information Communication Technology (ICT) and its vision to be a developed country by 2020. One of Malaysia's biggest projects that relates to technology and the internet is the Multimedia Super Corridor (MSC). Although one of the guarantees made by the government to the MSC foreign investors is that there is no censorship of the internet, the Government decided that it is necessary to monitor the content of the internet through the Content Code. The amendments to the Malaysian Copyright Act that started with the amendment in 1990

will be examined. The Content Code will also be discussed in this chapter in order to evaluate how far Malaysia has reacted to the challenge raised by the internet.

Finally in chapter 6, some conclusions and proposals for Malaysian law will be outlined.

The law is as [1 July 2004].

Chapter 1

Introduction to Malaysian and UK Copyright Law

1.1 Introduction

This chapter places Malaysian Copyright law in its historical context. It will first explain what “copyright” means and then a detailed development of Malaysian Copyright law will be undertaken, up to the Enactment of the Copyright Act 1987. The information gathered from this chapter will provide the background to the thesis. Chapter 2 will then examine current UK and Malaysian copyright following on with the rights of authorship and ownership within the context of the internet challenges to copyright concepts.

“Copyright is founded on the concept of the unique individual who creates something original and is entitled to reap a profit from those labours.”¹ Copyright is also regarded as the personal right of the author, protecting the author’s intellectual and personal relations to his work, in addition to protecting the author with respect to the economic exploitation of the work.² Therefore copyright is basically the system of economic and moral rights granted by the law to writers, composers and other creators of the ‘works of the mind.’

According to Laddie (1996) the existence of copyright is justified on three sacred principles. Firstly, the Eighth Commandment; ‘Thou shalt not steal’. Why should a trader who has expended nothing be entitled to reap where he has not sown? Secondly, as Laurence Sterne expressed it in *Tristram Shandy*; ‘the sweat of man’s brows’ and ‘the exsudations of a man’s brains’, are as much a man’s property as the breeches upon his backside”. This means that the concept of owning matter created by the brain is perhaps the most fundamental foundation of copyright law. Thirdly is the principle of

¹ See Rose, Mark, Authors and Owners the Invention of Copyright, (Cambridge: Harvard University Press, 1993), p.2.

² See Lahore, James, Intellectual Property in Australia, (Sydney: Butterworths, 1977), p. 9.

reward, which also applies to copyright. The rewards enable the authors, musicians and the like to support themselves by their creative efforts.³

The principles described above also encourage the author to commercialise his work rather than keep it to himself as a secret. On the other hand, the public also benefit when more artistic or inventive creations are made available to them.⁴

As mentioned above, copyright is a property right, therefore this raises questions about ownership and authorship of copyright. These are two distinct concepts, which attract their own peculiar rights; the author having moral rights and the owner of the copyright possessing economic rights.

In some cases the author of a work could be the owner of the copyright in the work, but this is not always so, and as far as copyright is concerned, most works have separate authors and owners. Ownership originates from authorship, so that the person who makes the work is normally the first owner of the copyright in the work, provided that he has not created the work in the course of employment, in which case his employer may in certain circumstances be the first owner of the copyright.⁵

It is the owner of the copyright who has every right to decide how to exploit the work. In law he has the right, either to make copies and retain the ownership of the copyright, or to grant licences to others to carry out certain acts in relation to the work.⁶ Over the years, the copyright industries made a substantial contribution to developed and developing countries, where the buying and selling of property rights created by the law of copyright is worth millions or billions of dollars.

There is no doubt that copyright protection has transformed the intangible creations of the intellect into a species of property. Copyright gives value to the authors' work, provides the means to earn a living and, most importantly it gives them something to call their own. In order to commercialise these creative efforts, legal protection is required to prevent the unauthorised appropriation of an authors' work.⁷

³ See Laddie, 'Copyright: Over-strength, over-regulated, over-rated?' (1996) 5 *EIPR* 253-254.

⁴ *Ibid.*

⁵ See Bainbridge, David, *Intellectual Property*, (London: Financial Times Management, 1999), p.62.

⁶ *Ibid* at, p.74.

⁷ *Ibid*, pp. 10-11.

Due to technological growth, the subject matters protected by intellectual property have changed dramatically. This is true in relation to copyright works, which are the most relevant to the digital era. Therefore the work of the legislation is to maintain a balance between the creators and the users. Conflicts always exist in the relationship between the author of a copyright work and the public to which it is sold. This is because the author will want to get the maximum possible remuneration from the work, while the consumer will want to have it as cheaply as possible.⁸

“The evolution of subject matters towards works that are ‘multimedia’ in nature raises issues of enforcement. Not only will there be a change in the subject matters to be protected but there will also be a change in the way in which those subject matters are distributed to their audiences. Traditionally copyright has been the right to prevent ‘copying’- that is, to prevent the multiplication of the form of embodiment of the protected work. But when, in the future, a work is distributed on-line rather than some ‘hard copy’ form, what will be the relevance of the right to prevent ‘copying’?”⁹

1.2 Malaysian Copyright Law: Historical Background - Pre 1911 Copyright Act

Since this thesis focuses on Malaysia, it is therefore important to know the history of the Malaysian legal system, in order to understand how copyright law originally arrived in Malaysia. All the historical events that happened over the years have contributed to the development of copyright law in Malaysia until the present. Since materials on Malaysian Copyright law are limited in number, constant reference will be made to the Malaysian Copyright Act 1987 and to books on Copyright Law by Khaw Lake Tee and Roharzawati Zuallocobley.

Malaysia is a federation that has two regions, namely Peninsular Malaysia,¹⁰ and East Malaysia, which consists of Sabah and Sarawak and is situated on the island of Borneo. Peninsular Malaysia used to be called Malaya before the independence of Malaysia.

⁸ See Groves, Peter, Copyright & Designs Law a Question of Balance, (London: Graham & Trotman Ltd, 1991), p.7.

⁹ See Christie, Andrew, ‘Reconceptualising Copyright in The Digital Era’, 1995, 11 EIPR, pp. 525- 526.

¹⁰ Peninsular Malaysia consist of 11 states namely, Johor, Melaka, Negeri Sembilan, Selangor, Pahang, Perak, Kedah, Terengganu, Perlis, Pulau Pinang.

The first important event that occurred in Malaya was the founding of the Malacca Sultanate¹¹ at the beginning of the fifteenth century. The second event was the spread of Islam to South-East Asia. Finally, British colonial rule was perhaps the most significant event because it brought constitutional government and the common law system to modern Malaysia.

It was around A.D 1400 that Malacca became an established port. As a trading port, it was crucial for Malacca to maintain its prosperity by maintaining proper law and order. Even though not much is known of the administration of justice during that time, it is accepted that the law administered then was a combination of Muslim law and Malay customary law (*adat*)¹². It was the Indian traders from Gujerat and the Arabs from West Asia who were responsible for introducing Islam to the region. Islam then took a firm hold in Malacca, and eventually became the State religion. Soon after, Muslim laws were increasingly applied alongside Malay customary law (*Adat*) throughout the region. As regards 'adat', it can mean custom, courtesy, proper behaviour, customary behaviour or customary law.¹³

In the Peninsula Malaysia there are only two main adats, that is, *Adat Temenggong*¹⁴ and *Adat Perpatih*¹⁵. The term 'Adat Temenggong' refers to the patriarchal Malay customary law. Under *Adat Temenggong*, the inheritance and ownership of land is divided equally between male and female. In Negeri Sembilan, *Adat Perpatih* is considered to be the dominant system of social organisation. From the sixteenth century onwards there was extensive immigration into the general area of what is now Negeri Sembilan from Minangkabau in West Sumatra. There was no central government in the state but the established rulers of the districts became 'culturally assimilated' into the matrilineal social system of the later arrivals from Minangkabau.¹⁶

¹¹ A Malay prince, Parameswara, established the Malacca Sultanate.

¹² The *adat temenggong* was the law of the Sultan and was later adopted in the other regions of Peninsular Malaysia. It was the basis of the law as found in the Malay Legal Digests, which were compiled between the fifteenth and nineteenth centuries; for instance the Undang-undang Melaka, The Pahang Digest of 1596, The Kedah Digest of 1605, The Johore Digest and Ninety-nine laws of Perak.

¹³ See Wu, Min Aun, The Malaysian Legal System, (Selangor: Longman Malaysia Sdn. Bhd., 1990), pp. 1-4.

¹⁴ *Adat Temenggong* applies to all the states in the Peninsula except Negeri Sembilan and certain parts of Malacca.

¹⁵ *Adat Perpatih* has the matrilineal concept which is practised in the present region of Negeri Sembilan and Naning in Malacca. *Adat Perpatih* is mostly concerned with the question of land tenure and the adat constitution.

¹⁶ See Hooker, M.B, Adat Laws in Modern Malaya Land Tenure, Traditional Government and Religion, (Kuala Lumpur: Oxford University Press, 1976), p. 31.

The study of adat reveals that there are few traditional Malay legal texts available. It appears that the most important Malay legal digest was the Undang-undang Melaka,¹⁷ which was originally compiled in Malacca.¹⁸ The traditional Malacca legal text consisted of the Undang-undang Melaka (Laws of Malacca) and the Undang-undang Laut Melaka (The Maritime Laws of Malacca). R.O Windstedt¹⁹ stated that in the Malacca Digest there were no clear divisions between constitutional, criminal and civil law. It combined the regulations for court etiquette, criminal law, jurisdiction of the ruler, law of libel, law of fugitive slaves, the law of contract affecting the hiring of slaves and animals, the breaching of betrothal agreements and the penalties for stealing the slaves of owners of various ranks.

The Digest also contained some aspects of Islamic law, such as property claim, validity of marriage and others. There was no clear demarcation between secular and religious affairs, but it does provide an insight into the laws administered in the sultanate at the time.²⁰

Penang was the first territory in Malaysia that fell under British acquisition. Captain Francis Light, on behalf of the East India Company, obtained cession of Penang from the Sultan of Kedah in 1786. It was a new treaty in 1790, confirming the cession of the island in return for a pension, which marked the beginning of the era of British Colonialism in Malaysia.²¹ As soon as possession had been taken, the law of England was introduced in Penang and all laws (if any) previously existing therefore immediately ceased. Obviously, the law of England was imported into this settlement by the charter of 1807, if not earlier.

It should be noted that there were several provisions in the first charter of justice²² granted to Penang in 1807 which were fundamental, and certainly the interpretation of

¹⁷ The Undang-undang Melaka later was adapted and adopted in Kedah, Pahang, Riau, Pontianak and Brunei. That explains why the other legal digests show striking resemblance to Undang-undang Melaka for instance, Undang-undang Melayu, Undang-undang Negeri, Undang-undang Johor, Undang-undang Pahang and Undang-undang Kedah.

¹⁸ See Liaw, Yock Fang, Undang-undang Melaka The laws of Melaka, (Leiden: Koninklijk Instituut Voor Taal-, Land-en Volkenkunde, 1976), p. 1.

¹⁹ See R.O Winstedt, Digest of Laws J.M.B.R.A.S, Vol. XXXI, Pt. iii, (1958), p. 136.

²⁰ Wu, *op. cit.*, pp. 5-6.

²¹ *Ibid*, p.8

²² The Charter laid down the law to be applied in both criminal and civil cases. In the charter there were at least two provisions on civil cases which were significant, namely a direction that the court shall 'give and pass judgement and sentence according to justice and right', and also that where ecclesiastical

these provisions would later determine the applicable law for Penang and the entire Malay Peninsular.²³

The situation in Penang was chaotic in respect of civil matters, because there was not a single legal system in operation: natives only followed the native customs and the law was administered by their own chiefs and headmen. Before the charter, there were courts and judges, but their administration of justice in each respective jurisdiction was not in accordance with the rules of English law. Justice was administered in petty cases in 1796 by headmen or captains, who were nominated by the superintendent and subject to an appeal to the European gentlemen who acted as the magistrates. In 1826, the second charter of justice was granted when Singapore and Malacca were united with Penang, forming the Straits Settlement. Subsequently the third charter of justice was granted in 1885 as merely an instrument to reconstruct the court. Through legislation, the application of English law was later formalised. It was finally formalised through the Civil Law Act of 1937, which was enacted for the Federated Malay States. It was later extended to the Unfederated Malay States by the Civil Law (extension) Ordinance of 1951. This Enactment was replaced by the Civil Law Ordinance in 1956 and was applied throughout the federation of Malaya.²⁴

Nowadays the application of English law throughout Malaysia is accompanied under the Civil Law Act of 1956. Even in matters pertaining to immovable property where the Civil Law Act has expressly excluded the application of English law, Malaysian judges still turn to England to fill the lacunae in local legislation. The habit of applying English law still continues and it can only be explained on the basis of the strong influence which the 'mother country' continues to have over its former colony.²⁵

The situation in the Federation of Malaya before the Japanese occupation was that all the states and settlements had formed three distinct political groups. These were the Straits Settlements,²⁶ the Federated Malay States²⁷ and lastly the Unfederated Malay

jurisdiction was conferred on the court, it was to be exercised 'only so far as the religions, manners, and customs of the inhabitants admits'.

²³ See Ahmad, Sharifah Suhana, Malaysian Legal System, (Kuala Lumpur: Malayan Law Journal, 1999), pp. 8-9.

²⁴ *Ibid*, pp.10-15

²⁵ *Ibid*, pp. 121-122.

²⁶ The states under the Strait Settlement were Singapore, Malacca and Penang.

²⁷ The Federated Malay states consisted of Negeri Sembilan, Pahang, Perak and Selangor which had entered into a federation by treaty in 1895.

States²⁸. There was the normal form of crown colony government with a governor, an executive council and legislative Council in the Straits Settlement. In 1909, the Unfederated States in North-Kedah, Kelantan, Perlis and Terengganu came under British protection when Siam transferred to Britain her suzerainty over these territories, and under a series of agreements, a British adviser was appointed to each state. Johore was the fifth of the Unfederated States to submit its foreign affairs to the care of Great Britain with the treaty of 1885.

In relation to Copyright law in Malaya, little is known about it in the pre-British era. At that time, there was a lack of written rules on copyright because not much material or texts on literary work, or an existing customary law, was found. Most of the customary laws (adat) were in oral form that passed from generation to generation and not in the form of writing.

Copyright rules were not known at all to the Malay. In fact there was no local legislation on copyright at that time because the concept of copyright itself was totally foreign to them.²⁹ Copyright law was first introduced through the reception of English law in Penang. Prior to 1912, when the English Copyright Act 1911 was specifically applied, the law of copyright in the Straits Settlements was the copyright law of England, as contained in various statutes and common law. It was only in 1902 that Malaya had its own copyright legislation. The Telegram Copyright Ordinance was the first local copyright-related statute to be enacted in Malaysia and it was passed by the Legislative Council of the Straits Settlement in 1902. The purpose of the Ordinance was to give some kind of protection to newspaper proprietors in the Straits Settlements against unfair competition from rival newspapers.

The person who received a news telegram had an exclusive right to publish it and without his written consent, nobody could publish the telegram until after a period of forty-eight hours from the time of its first publication. Anyone who published such a telegram unlawfully would be liable for a fine not exceeding one hundred dollars for a first conviction, and for the second offence, a fine not exceeding two hundred dollars would be charged.³⁰

²⁸ The remaining states of Johore, Kedah, Perlis and Terengganu were known as The Unfederated Malay States.

²⁹ See Khaw, Lake Tee, *Copyright Law in Malaysia*, (Kuala Lumpur: Malayan Law Journal, 2001), p. 2.

³⁰ See Section 2 of the Telegram Copyright Ordinance.

There is no doubt that the Ordinance was rather too concise and only had a few important provisions. It was discovered later that the scope of the Ordinance was too limited to cater for the needs of the future development in Telegraphic Communication.

Telegraphic Communication Cables arrived in 1871, where the Straits Settlements were linked with countries like India, Europe, Britain, America and Australia by cables. There were instances that show that the news items in telegraphic form, purchased by newspaper proprietors for publication in their papers, were published without their consent in other newspapers. In order to protect the newspaper proprietor's rights the Ordinance granted them the sole right to print and publish, for a period of 48 hours, telegraphic messages meant for publication.³¹

It seems that prior to 1902 there were various copyright statutes and English laws on copyright applicable to the states of Penang and Malacca. In 1895 the Legislative Council of the Straits Settlements enacted an ordinance relating to telegraphs. This Ordinance was called The Telegraph Ordinance 1895. 'Telegraph' in this Ordinance was defined as an electric galvanic or magnetic telegraph which includes appliances and apparatus for transmitting or making telegraphic, telephonic, or other communications, by means of electricity galvanism or magnetism.

It seems that the Governor-in-Council had the exclusive privilege in establishing, maintaining and working telegraphs. He also had the right to grant a licence, on certain conditions and for a certain amount of payment as he thought fit, to any person to establish, maintain or work a telegraph within the colony. The Governor or any officer authorised by the Government, in the event of any threat to public safety, could take temporary possession of any telegraph established, maintained, or worked by any person licensed under this Ordinance. The Government was allowed to establish telegraph on the land of the railway company. It was the responsibility of the Governor-in-Council to make rules for the conduct of the telegraph by way of notification in the Gazette whenever necessary. The power to place and maintain telegraph lines and posts rested with the Telegraph Authority.

The Legislature of the Federated Malay States followed the development of the law in the Straits Settlements, and later enacted the Telegram Copyright Enactment in 1911.

³¹See Wu, *op. cit.*, p. 4.

The provisions in this Enactment were similar to the Straits Settlements Copyright Ordinance. The only difference was that the telegraphic messages published under this Enactment were printed under the heading “copyright telegram”, whereas in the Straits Settlements Ordinance, it was headed “by submarine Telegraph”.

1.3 The UK Copyright Act of 1911:

The second charter of justice was granted to the Straits Settlement in 1826, and it was from then on that English law was applied to the colony. At the beginning of the twentieth century, the Copyright Act 1911 was enacted in the UK and applied throughout His Majesty’s dominions. Therefore it also applied to the Straits Settlements.

However this Act did not apply to the Federated and Unfederated Malay States, North Borneo and Sarawak, and there was no attempt on the part of the legislature to adopt similar legislation. In the 1930’s, the situation changed; there were cases where the copyright works were being infringed in these states, and in response to that, the Federated Malay States enacted the Copyright Enactment. Subsequently, North Borneo and Sarawak passed the Copyright Ordinance 1935 and Copyright Ordinance Cap. 94.³²

The protection of the Act was conferred to original literary, dramatic, musical and artistic works, novel, sound recording, cinematograph film of the work if the work was first published within parts of His Majesty’s dominions. In the case of unpublished work, the protection was given if the author was, at the date of the making of the work, a British subject or resident within such parts of His Majesty’s dominions.

In the case of Ng Sui Nam v Butterworth & Co. (Publishers) Ltd. & Ors.,³³ the crucial issue was the interpretation of the expression in section 1 (1) of the 1911 Act; “...copyright shall subsist throughout parts of His Majesty’s dominions to which this Act extends...” In the case, which concerned infringement of the copyright of certain original literary works of the respondents, the appellant appealed against the decision of

³² Khaw, *op. cit.*, p. 5.

³³ [1987] 2 MLJ 5.

the first instance judge, who had held in three consolidated suits that the respondent publishers were entitled to copyright protection in Singapore in respect of such original works first published in the United Kingdom during the periods between before June 1, 1957 and August 9, 1965 to the present. The learned judge also decided that such works first published in the United Kingdom during the period from June 1, 1957 to January 26, 1959 were not entitled to copyright protection. The appellant appealed against the decision and contended that the said works were not entitled to copyright protection in Singapore in any of the six periods, whereas the respondents contended otherwise. The respondent submitted that the word 'extends' refers to all those countries (including those which have since 1911 become independent) once constituted parts of His Majesty's dominions to which the 1911 Act applied and in which the 1911 Act has not been repealed.

It was decided by the court that the expression 'this Act' in the relevant section does not and cannot be transformed on Malaysia Day to mean 'this Act of the Parliament of Singapore'. It meant and continues to mean 'this 1911 Act' which is continued by the Constitution of Singapore as part of the law of Singapore. The court knew of no principle or authority which supports the view that the attainment of independence of a territory which is a historical fact, *ipso facto* changes the legislative source of its inherited laws, which is another historical fact. The relevant section was intended to include within its ambit not only all British dominions which existed on the date of the coming into force of the 1911 Act, including those self-governing dominions which have extended the 1911 Act to themselves, but also all such dominions thereafter. It is not incorrect to say that the phrase 'His Majesty's dominions' had become a mere geographical expression, drained of any political content as far as Singapore was concerned when it became independent.

Under the Copyright Act 1911 the word copyright was defined as "the sole right to produce or reproduce the work or any substantial part thereof in any material form whatsoever, to perform, or in the case of a lecture to deliver, the work or any substantial part thereof in public; if the work is unpublished, to publish the work or any substantial part thereof; and shall include the sole right,-

- (a) to produce, reproduce, perform, or publish any translation of the work;
- (b) in the case of a dramatic work, to convert it into a novel or other non-dramatic work;

- (c) in the case of a novel or other non-dramatic work, or an artistic work, to convert it into a dramatic work, by way of performance in public or otherwise;
 - (d) in the case of a literary, dramatic, or musical work, to make any record, perforated roll, cinematograph film, or other contrivance by means of which the work may be mechanically performed or delivered,
- and to authorise any such acts as aforesaid.³⁴

If a person other than the owner of the copyright does any such act without the consent of the copyright owner, then he is infringing the copyright of a work. However, the following acts shall not constitute an infringement of copyright; for instance, fair dealing with any work for purposes of private study, research, criticism, review or newspaper summary.³⁵

Likewise, the publication in a collection mainly composed of non-copyright matter which is *bona fide* intended for the use of schools, and the publication in a newspaper of a report of a lecture delivered in public (unless the report is prohibited by a conspicuous written or printed notice) and also the reading or recitation in public by one person of any reasonable extract from any published work, will not constitute an infringement of copyright.³⁶

The issue of whether the plaintiff had copyright in Singapore to specifications and drawings under the Copyright Act 1911 of the United Kingdom, as applied in Singapore, was examined in the case of Australian Shipbuilding Industries (W.A) Pty. Ltd. v Assets Able Pte. Ltd. & Anor.³⁷ The plaintiff in this case was an Australian company which carried on the business of, among other things, shipbuilding in the state of Western Australia, and claimed copyright to a set of specifications and drawings of certain vessels by reason of their first publication in Australia in 1981. The Plaintiff applied for an interim injunction restraining the defendants until after the trial of this action, whether by their officers, servants or agents, from infringing, causing, or enabling others to infringe the plaintiff's copyright, and a mandatory injunction for delivery to the plaintiff's solicitors copies of the specifications and drawings and written information relating to those vessels that were in their possession, custody or control.

³⁴ The copyright Act of 1911

³⁵ See Section 2(1) (i) of the Copyright Act of 1911.

³⁶ See Section 2(1) (iv), (v) and (vi) of the Copyright Act of 1911.

³⁷ [1987] 2 MLJ 17.

The court decided that, upon the repeal of the 1911 Act by the legislature in Australia in 1969, Australia ceased to be a “dominion to which this Act extends” as stated in section 26(1) of the 1911 Act. Therefore, the 1911 Act no longer extended to Australia. Work emanating from Australia after April 30 1969 did not enjoy any copyright protection. Hence the plaintiff did not have any copyright in the specifications and drawings under the 1911 Act in Singapore.

Section 2(2) of the Copyright Act also stated that copyright in a work may also be infringed by any person who sells or lets for hire, distributes either for the purposes of trade or by way of trade exhibits in public, or imports for sale or hire into any part of His Majesty’s dominions, in which the sale or hiring exposure, offering for sale or hire, distribution, exhibition or importation took place.

Section 3 of the Copyright Act of 1911, specified the term of copyright, which subsisted for the life of the author and a period of fifty years after his death, provided that at any time after the expiration of twenty-five years, or in the case of a work in which copyright subsisted at the passing of this Act, thirty years from the death of the author of a published work, copyright in the work should not be deemed to be infringed by the reproduction of the work for sale if the person reproducing the work proved that he has given the prescribed notice in writing of his intention to reproduce the work, and that he had paid in the prescribed manner, to or for the benefit of the owner of the copyright, royalties in respect of all copies of the work sold by him calculated at the rate of ten percent on the price at which he published the work.

The first owner of the copyright was the author of the work.³⁸ However, in the case of an engraving, photograph or portrait or other original that was ordered by some other person and was made for valuable consideration and in the absence of any agreement, the person by whom such a plate was ordered was the first owner of the copyright.³⁹ Similarly, if the author was in the employment of some other person under the contract of service or apprenticeship, and the work was made in the course of his employment by that person, the person by whom the author was employed, in the absence of any agreement, was the first owner of the copyright, but where the work was an article or

³⁸ See Section 5(1) of the Copyright Act of 1911.

³⁹ See Section 5(1) (a) of the Copyright Act of 1911.

other contribution to a newspaper or magazine, in the absence of any agreement it was deemed that the author reserves the right to restrain the publication of the work.⁴⁰

Nevertheless, the owner of the copyright in any work could assign the right, either wholly or partially and either generally or subject to limitations, to the UK or any self-governing dominion or other part of His Majesty's dominions to which this Act extended. This assignment could be either for the whole term of the copyright or any part of it, and could grant any interest in the right by licence but it would only be valid if it was made in writing and signed by the owner of the right.⁴¹ In the event where the copyright of the work has been infringed, the owner of the copyright was entitled to remedies by way of injunction or interdict, damages or accounts.⁴²

In the case of joint authorship, the copyright period subsisted during the life of the author and for a term of fifty years after his death or during the life of the author who died last whichever period is the longer after the expiration, or any specified number of years from the death of the author. This was construed to be the period after the expiration of the like number of years from the death of the author who died first or after the death of the author who died, last, whichever period may be the shorter.⁴³

Section 25 stated clearly that the Act was restricted to the United Kingdom and also extended throughout His Majesty's dominions. However it did not extend to a self-governing dominion unless it was declared by the Legislature of that dominion to be in force. It could be in force with necessary modification and addition in terms of procedures and remedies in order to suit the circumstances of the dominion, or without changes at all.

This Act also applied to works first published in a foreign country to which the Order related as if they were first published within the parts of His Majesty's Dominions to which this Act extended. It also applied to literary, dramatic, musical and artistic works, if the authors were, at the time of the making of the work, subjects or citizens of a foreign country, for example if the authors were British subjects. Section 35(1) defined the words 'literary work' as including maps, charts, plans, tables and compilations.

⁴⁰ See Section 5(1) (b) of the Copyright Act of 1911.

⁴¹ See Section 5(1) (2) of the Copyright Act of 1911

⁴² See Section 6 (1) of the Copyright Act of 1911.

⁴³ See section 16(1) of the Copyright Act of 1911.

The making of copyrighted works, either for sale or hire or distribution by any person, where the copyright of that particular work still subsists, or the selling or letting for hire or distribution of any infringing copy for the purposes of trade, affecting the copyright owner to certain extent, or through trade exhibits in public, or imports for sale or hire into the UK, would be liable under this Act. If guilty they would be fined not exceeding the sum of forty shillings for every copy dealt with in contravention of this section but not exceeding fifty pounds. Fine or imprisonment with or without hard labour for a term not exceeding two months would be imposed for subsequent offences.⁴⁴

1.4 The Malaysian Copyright Act of 1969

Meanwhile in the UK, the Copyright Act of 1956 had replaced the Copyright Act of 1911. In the absence of an extension of the 1956 Act, the Copyright Act of 1911 still applied in the territories. The 1956 Act was only extended to two states, that is, Sarawak in 1960 and North Borneo in 1962.

Therefore in 1957, when Malaysia obtained its independence from Britain, the copyright statutes in force at that time were the Copyright Act of 1911, which applied in Penang and Malacca, and the Copyright Enactment, which applied in Selangor, Perak, Pahang and Negeri Sembilan. It was after Sarawak and North Borneo became part of the Federation of Malaysia in 1963 that the United Kingdom Copyright Act 1956 was added to the corpus of copyright laws of Malaysia. Later it was felt that a single national copyright law was needed, and in 1967 a bill was published, based on the UK Copyright Act 1956 and the New Zealand Copyright Act 1962.

However the Bill was completely redrafted by 1969 when it was tabled in Parliament. The aim of the Bill was to reflect the trends in developing countries with regard to the concept of national and international copyright protection and at the same time to contain specific provisions to meet Malaysian needs. The committee responsible in redrafting the Bill decided to abandon the developed countries as its model and referred to the Nigerian Copyright Bill instead. The committee also took into account the

⁴⁴ See Section 11 of the Copyright Act 1911

protocol to the Berne Convention (Stockholm Revision) of 1967 and the deliberations of the East Asia Copyright Seminar held in New Delhi in January 1967.⁴⁵

When copyright law was introduced in Malaysia in 1969, Malaysia at that time was not a member of any of the international conventions on copyright. The reason for not joining any of the conventions was probably because, at that time, Malaysia, as a developing country, imported rather than exported an enormous amount of literary and other works. The question was how long Malaysia would be able to withstand the pressure that came from the developed countries to subscribe to an international convention. That depended on the political thinking and the economic conditions of the country.

The 1969 Act was promulgated to revise and consolidate the law relating to copyright in Malaysia, and in doing so the Act repealed all previous laws pertaining to copyright in Malaysia and revoked any relevant Orders in Council and all subsidiary legislation made under any written law so repealed. Before that there were varied legislations in operation in parts of Malaysia, for instance the F.M.S Copyright Enactment which applied to the former Federated Malay States, the UK Copyright Act of 1911 which applied to the former Straits Settlements (Malacca and Penang), and the U.K Copyright Act of 1956, which applied to the Borneo states. There was no copyright law applicable in the former non-Federated Malay states. The provisions of the Act closely followed the provisions of the Berne Convention and the Universal Copyright Convention whenever necessary, and certain other provisions in the Act were specially made for the requirements of Malaysia.

Section 4(1) provided for the works which were eligible for copyright. The term 'works' covers literary, musical, artistic, cinematograph, sound recordings and broadcasts. Literary, musical or artistic works were not eligible for copyright unless sufficient effort had been expended on making the works have an original character, and if also the work had been written down, recorded or otherwise reduced to material form.

Section 5 of the Act conferred copyright based on whether the author (or joint authors) was a citizen of Malaysia or a permanently resident in Malaysia. Such persons were called 'qualified persons'. The copyright protection period for literary, musical and artistic works, other than photographs, was twenty-five years after the end of the year in

⁴⁵ Khaw, *op. cit.*, p.6.

which the author died.⁴⁶ Similarly, cinematograph films and photographs were also protected for twenty-five years after the end of the year in which the work was first published.⁴⁷

In Asia Television Ltd. & Anor. v Mega Video Recording Supply Centre⁴⁸ one of the issues raised was whether foreigners were entitled to protection under the Copyright Act of 1969, since Malaysia was not a member of any convention. The plaintiffs in this case were a limited company incorporated under the laws of Hong Kong with a registered office in Hong Kong. The second plaintiffs were a limited company incorporated under the laws of Malaysia with a registered office in Kuala Lumpur. The first plaintiffs claimed that they were the copyright owners of the disputed cinematograph films. On September 15, 1980, the second plaintiffs entered into a licence agreement with the first plaintiffs whereby the second plaintiffs were granted by the first plaintiffs the exclusive rights in Malaysia to (a) distribute the said cinematograph films produced by the first plaintiffs on videogram by way of rental and (b) to produce videograms of the said cinematograph films for rental distribution.

The plaintiffs claimed that the defendants had, without a licence and/or consent from the plaintiffs, infringed the first plaintiffs' copyright by reproducing for distribution the said cinematograph films and/or distributing them or exhibiting publicly the infringing copy video cassettes. The plaintiffs applied to the court and obtained an Anton Piller Order against the defendants. The defendants sought to set aside the said order on the ground that the provisions of the Copyright Act of 1969 did not confer copyright on the plaintiffs in respect of the cinematograph films. The plaintiffs alleged that the Act applied in the territory of Malaysia only. Since Malaysia is not a party to any of the conventions, the Minister therefore had not made any regulation to extend the Act to Hong Kong. He also argued that foreigners were not entitled to the protection of the Act.

The court interpreted section 6 (1) of the Copyright Act of 1969 and held there was no provision which directly confer in Malaysia in respect of works originating in a foreign country. Since the first plaintiffs were a company incorporated under the laws of Hong Kong with a registered office in Hong Kong, they could not claim copyright under the Copyright Act in Malaysia in respect of the cinematograph films broadcast in Hong

⁴⁶ See Section 5 (2) (i) of the Copyright Act of 1969.

⁴⁷ See Section 5 (2) (ii) of the Copyright Act of 1969.

⁴⁸ [1985] 1 MLJ 250.

Kong. There was no evidence that Malaysia had concluded any bilateral arrangement with the United Kingdom to protect copyright of works originating in Hong Kong. Malaysia therefore was under no legal obligation whatsoever to protect copyright of works originating in foreign countries. Since the second plaintiffs were not the authors of the said cinematograph films they could not claim any copyright in this country because copyright conferred by section of the Copyright Act rests only with the author. The said order was therefore set aside.

Section 6 of the Act also conferred copyright by reference to the country of origin, that is, where the works were either, first published in Malaysia or if it was a work of architecture erected in Malaysia, or if the work was a sound recording or broadcast made in or transmitted from Malaysia.

The question of whether the protection under section 6(1)(a) of the Copyright Act of 1969 applied to a work made by a foreigner who was not a permanent resident in the country was discussed in the case of Lee Yee Seng & Ors. v Golden Star Video Bhd.⁴⁹

The shops of all five plaintiffs were raided by the police and video tapes (which were thought to have infringed the copyright of the defendant) that were found on the premises were seized. Three of the directors of the 4th, 5th and 6th plaintiffs were arrested and later released on bail of \$10,000 each. Two of the directors were subsequently charged before a magistrate and their cases were pending. The plaintiffs took out an originating summons in the Commercial Division of the High Court to secure a declaration that copyright should not subsist in a work under section 6(1)(a) of the Copyright Act of 1969 if a foreigner was not a permanent resident or resident in the country.

Chan J stated that it was clear from the provisions of the Copyright Act that if publication of the video recording was in fact the first publication of such recording in the country with the consent of the author, then by virtue of section 6(1)(a) of the Copyright Act of 1969, copyright subsisted in the country. Put another way, the Act provided that copyright should subsist in a work if the work was first published in Malaysia with the consent of the author. It was held that the word 'author' had no nationality. It meant exactly what it stated. It was an originator, like the author of a book. It did not mean a local author or an author who was a citizen, nor could it mean someone who was not a foreigner. The word 'author' could not mean a resident author

⁴⁹ [1981] 2 MLJ 43.

or a foreign author who was present in the country. This was not a proper case in which the discretion of the court should have been exercised to make the declaration sought for by the plaintiffs.

The Act also conferred copyright on works by or under the direction of an international body or government organisation as was prescribed in the Act. The period protected for the literary, musical or artistic works other than photographs was twenty-five years after the end of the year in which the author died. Similarly cinematograph films and photographs were also protected for twenty-five years after the end of the year in which the work was first published.

As for works of sound recordings and broadcasts, the period of protection for these works was twenty years after the end of the year in which the recording was made, and for broadcasts, the year in which the broadcast took place.⁵⁰ The period protected for the literary, musical or artistic work, other than a photograph, of an international body or government organisation as was prescribed, was until the expiration of twenty-five years from the end of the year from which it was first published.⁵¹ Copyright of literary, musical or artistic work or of a cinematograph film ensured the owner the exclusive rights to control the reproduction of any material form of literary works, their communication to the public, and the broadcasting of the copyrighted works, either in whole or substantial part, in its original form or in adaptation.⁵² However, it did not include acts that were considered to be fair dealing for the purposes of research, private use, criticism or review or the reporting of current events.

In sound recording, the copyright was to be the exclusive right to control, in Malaysia, the direct or indirect reproduction of the whole or a substantial part of the recording, either in its original form or in any other form recognisably derived from the original. Section 9 stated that, where the owner of copyright in any literary, musical or artistic work authorised a person to incorporate the work in a cinematograph film and when a broadcasting service broadcast the film, in the absence of any express agreement to the contrary between such owner and person it would be deemed that the owner of the copyright authorised such broadcast.

⁵⁰ Section 5 (2) of the Copyright Act 1969

⁵¹ Section 7 (2) of the Copyright Act 1969

⁵² Section 8 (1) of the Copyright Act 1969

Under section 12, the copyright vested initially in the author, provided that the work was commissioned by a person who was not the author's employer under a contract of service, or, not having been so commissioned, was made in the course of the author's employment. The copyright would be deemed to be transferred to the person who commissioned the work or the author's employer, subject to any agreement between the parties excluding or limiting such transfer.

The copyright would be infringed by any person who did, or caused any other person to do, without the licence of the owner, an act which was controlled by copyright. Infringement could also occur when any person who, without the licence of the owner of the copyright, imported into Malaysia or distributed by way of trade, hire or by way of trade exhibited in public, any article in respect of which copyright was infringed. The owner of copyright had the right to take an action for such infringement. The relief was by way of damages, injunction or account available to the plaintiff.⁵³

Section 13 provided that the copyright was transmissible by assignment, testamentary disposition or by operation of law as movable property. There was a requirement that the assignment of copyright and exclusive licence must be in writing in order for it to be effective. Since the provisions of the Bill followed closely the international guidelines it would be possible for the minister to extend the protections under the proposed Act to works of a citizen or resident of another country which granted similar protections to Malaysian works.⁵⁴

Under section 17 the copyright owner had to give notice to the Minister responsible for customs and excise for the purposes of treating infringing copies as prohibited goods under custom laws. Section 15 laid down the offences under the Act. Any person who made for sale or hired any infringing copy of any copyrighted work, or sold, let for hire, or by way of trade exposed or offered for sale or hire any infringing copy, or distributed or had in his possession any contrivance capable of being used for the purposes of making infringing copies, would be guilty of an offence and liable to a fine not exceeding two hundred dollars for each infringing copy or imprisonment for a term not exceeding one year, or to both, unless he had acted in good faith.

⁵³ See Section 14 of the Copyright Act 1969.

⁵⁴ See Section 20 of the Copyright Act 1969.

In Chew Onn Yuen & Anor v Public Prosecutor⁵⁵ the complainants E.M.I. (Malaysia) Sdn. Bhd. owned copyright of a number of Malay songs, which they had bought from the composers after entering into formal agreements with them. They had sent out notices at various intervals to record dealers, including the appellants, warning them of copyright infringements in respect of their gramophone records, but the appellants had shown no intention of paying any heed to these warnings. A report was lodged with the police and on November 13, 1971 the complainants' Managing Director, Tanner, accompanied two police officers to the appellant shop where the police seized 110 records. Earlier on, during the same day, another police officer had bought 3 records from the appellants' shop. These records were found not to be the complainants' records and were inferior quality records. This was testified by Mrs Beh, to whom Tanner had given some of his powers and duties, including the power to buy and sell copyright without restriction. The appellants were found guilty of two charges under section 15(1)(b) of the Copyright Act 1969.

The first charge was that the appellants had by way of trade, displayed 105 infringing copies of musical works contained in gramophone records for which copyright then subsisted in favour of E.M.I. (Malaysia) Sdn. Bhd., and the second charge was that the appellants sold three infringing copies of musical works contained in gramophone records, for which copyright then subsisted in favour of E.M.I. (Malaysia) Sdn. Bhd. It was held that the copyright of a work may subsist only by virtue of the Copyright Act so that before proving that the appellants had sold or by way of trade displayed the infringing copies of the musical works contained in the gramophone records, the prosecution had first of all to prove that the musical works were eligible for copyright within the meaning of section 4 of the Act and under, section 5(1), that the authors of the musical works were citizens of or permanent residents in Malaysia at the time when they made the musical works.

Another case is Oh Teck Soon v Public Prosecutor.⁵⁶ The police seized copies of tapes from the accused under a search warrant issued by a magistrate under section 15(4) of the Copyright Act, 1969. The accused was charged in court the same day for offences under the Copyright Act. After a number of postponements, the accused was discharged on Sept 14, 1982, the discharge not amounting to an acquittal. Subsequently the accused

⁵⁵ [1977] 2 MLJ 118.

⁵⁶ [1985] 1 MLJ 437.

was arrested on an arrest warrant issued by the magistrate and he was produced before the Magistrate on December 1, 1982. The same two charges were preferred against him. A preliminary objection was raised that the prosecution was out of date. The learned Magistrate was of the view that the second prosecution was in fact a continuation of the first one and as such it was not caught by the six months' limitation proviso under section 15(4) of the Copyright Act.

He therefore overruled the preliminary objection. The accused appealed. It was held that the second prosecution in this case could not be a continuation of the first one. The proceedings which were instituted within six months of the seizure of the tapes terminated when the accused was discharged. As the second proceedings were not instituted within the six months' period, the Magistrate's Court had no jurisdiction to take cognisance of the offences with which the accused was charged on the second occasion. In the exercise of the appellate jurisdiction, as well as the reversionary powers of the High Court, the accused should be acquitted and discharged.

The case of Public Prosecutor v Then Mee Kom, Public Prosecutor v Chan Kam Lai⁵⁷ involved criminal revision relating to the Ipoh Arrest Case and the Kampar Arrest Case, wherein two accused persons were separately charged under section 15(1) of the Copyright Act of 1969. Learned counsel for the accused persons contended that, after the copies of the video tapes were seized, no proceedings against either of the accused persons were instituted within 6 months of the seizures, as required under section 15(4) of the Act. It was further argued that proceedings were deemed to be instituted only when the accused was arrested and charged in court. But as this was not done in either of the two cases, the magistrate's court had no jurisdiction to hear the cases.

It was held that the arrest of the accused person was the commencement or the institution of proceedings within the meaning of section 15(4)(b) of the Act. The magistrate who considered the information on oath for the issue of a search warrant under section 15(4) had to sign the warrant himself, because otherwise he was not issuing it under his hand. This judicial function of the magistrate could not be delegated. In the Ipoh arrest case, the search warrant was therefore invalid, rendering the proceedings null and void.

⁵⁷ [1983] 2 MLJ 344.

The appellant in Soon Kim Seng v Public Prosecutor⁵⁸ was convicted on 3 charges of having in his possession contrivances capable of being used for the purposes of making infringing copies of textbooks, the copyrights of which were vested in the complainant. He appealed against the conviction and sentence. The appeal was on the grounds that the fines of \$1,500 on each of the 3 charges were excessive and that the legislation had not provided for any fine or punishment for the possession of a duplicating contrivance. Chang Min Tat J in his judgement had specified that the problem in this case was the construction of section 15(1) and that in all probability and perhaps unwittingly Parliament had failed to provide a punishment for the offence of possession of contrivances for the making of infringing copies of copyright materials.

1.5 The Post-introduction of the 1969 Malaysian Copyright Act

The Copyright Act of 1969 was repealed and replaced by the Copyright Act of 1987. This Act came into force on the 1st of September 1987. The Copyright Act of 1987 was later amended by the Copyright (Amendment) Act of 1990 which came into force together with the (Application to other Countries) Regulations 1990 on the 1st of October, 1990 on which day Malaysia became signatory to the Berne Convention for the protection of Literary and Artistic Works (1886). The Copyright Act of 1987 has been amended by the Copyright (Amendment) Act 1996 and Copyright (Amendment) Act 1997 respectively.⁵⁹

However in this chapter only the Copyright Act 1987 will be discussed. All the amendments to the Copyright Act 1987 starting from the Amendment Act 1990 until the present will be discussed in chapter 5.

1.6 Modern law of Malaysian Copyright (The Copyright Act 1987): Works eligible for copyright

The Copyright Act 1987 gives protection to a variety of works, which are listed under section 7(1). ‘Works of mind’, which are eligible for copyright protection under the Act,

⁵⁸ [1978] 2 MLJ 107.

⁵⁹ <http://www.mlj.com.my/articles/MichealSoo.htm>.

are literary works which include musical, artistic works, films, sound recordings and broadcasts. Section 7(3) states that a literary, musical or artistic work is eligible for copyright protection if it is an original work; if it complies with the requirement as to form, if it belongs to one of the categories of protected works, and lastly, if it complies with the requirement of status. These works are protected irrespective of their quality and the purpose for which they were created.⁶⁰ A work is not eligible for copyright unless it is original and has been written down, recorded or otherwise reduced to material form.⁶¹ However, the above requirements do not apply to sound recordings, films or broadcasts.⁶²

A work is only eligible for copyright protection if it is original and recorded or reduced to material form. Originality in this context does not mean that these works must be of a high standard. Under the Copyright law originality refers to an original work of the author, which is not copied or reproduced from other authors.⁶³ Section 7(3) (a) of the Copyright Act of 1987 requires “sufficient effort” to make the work original in character.

The Act itself does not define the meaning of the word ‘original’, which is stated in the above section. However, in deciding several cases, the Malaysian Courts have referred to and adopted the meaning of ‘originality’ that has been laid down by the English Courts. The question of ‘originality’ has been discussed in a number of cases.⁶⁴

Although most of the works have to be original, it is now well-accepted law that ‘original’ means that the work has originated with and is the product of at least a small amount of effort on the part of the author.⁶⁵ In the case of Walter v Lane,⁶⁶ the House of Lords held that a person who makes notes of a speech delivered in public, transcribes them, and publishes them in a newspaper as a verbatim report of the speech, would be the author of the report and entitled to the copyright in the report.

⁶⁰ See Copyright Act 1987, section 7(2).

⁶¹ See Copyright Act 1987, section 7(3).

⁶² See Copyright Act 1987, Section 3.

⁶³ See Zualcobley, Roharzar Wati, Mengenali Undang-undang Hakcipta di Malaysia (“Introduction to Copyright Law in Malaysia”), (Kuala Lumpur: Pustaka Pertiwi Sdn. Bhd., 1992) p. 8.

⁶⁴ See, generally the English cases of University of London Press Ltd. v University Tutorial Press Ltd. (1916) 2 Ch 601; Ladbroke (Football) Ltd. v William Hill (Football) Ltd (1964) 1 WLR 273.

⁶⁵ See Laddie, *op. cit.*, at p. 259.

⁶⁶ [1990] A.C 539.

In addition, section 7(3) provided that;

“A literary, musical or artistic work shall not be eligible for copyright unless the work has been written down, recorded or otherwise reduced to material form”.

It must be noted that writing includes any form of notation, whether by hand or otherwise and regardless of the method by which, or medium in or on which, it is recorded. For example literary matter stored in computer databases, on tape, disk or any other way will qualify as having been sufficiently recorded for copyright purposes.⁶⁷

1.6.1 Categories of Copyright Works under the Malaysian Copyright Act 1987.

a) Literary Works

Section 7(1) of The Malaysian Copyright Act of 1987 states the works eligible for copyright includes

- “(a) literary works;
- (b) musical works;
- (c) artistic works;
- (d) films;
- (e) sound recordings; and
- (f) broadcast.”

Section 3 of the Copyright Act 1987 further interprets the meaning of literary works, where it includes:

- “(a) novels, stories, books, pamphlets, manuscripts, poetical works and other writings;
- (b) plays, dramas, stage directions, film scenarios, broadcasting scripts, choreographic works and pantomimes;
- (c) treatises, histories, biographies, essays and articles;
- (d) encyclopaedias, dictionaries and other works of reference;
- (e) letters, reports and memoranda;
- (f) lectures, addresses, sermons and other works of the same nature;
- (g) tables or compilations, whether or not expressed in words, figures or symbols and whether or not in a visible form; and
- (h) computer programs and compilations of computer programs;”

⁶⁷ See Pearson, Hillary, Miller, Clifford, Commercial Exploitation of Intellectual Property, (London: Blackstone Press Limited, 1990), pp. 99-100.

As mentioned above only the Copyright Act 1987 will be discussed in this chapter and all the amendments to the Copyright Act starting from Amendment Act 1990 will be discussed in chapter 5. The definition of literary works concerning (h) computer programs and compilations of computer program was amended later.⁶⁸

From the above list it can be said that the word 'literary work' under the Copyright Act does not necessary mean that the 'work' has literary value. For instance, in the UK case of University of London Ltd v University Tutorial Press,⁶⁹ Peterson J *inter alia* stated that 'literary work' means work which is in the form of writing or has been recorded. The court also held that the University of London examination questions were literary works and protected under the Copyright, Design and Patents Act.

This issue has been discussed in Malaysian cases as well, for example, in the case of Syed Alwi v Dewan Bahasa dan Pustaka,⁷⁰ the plays which were written by the plaintiff were considered as a literary work. In Lau Foo Sun v Kerajaan Malaysia⁷¹ the court held that the plaintiff's drawings were literary works within the meaning of the Copyright Enactment (F.M.S Cap 73).

In the Syed Alwi v Dewan Bahasa dan Pustaka case, the plaintiff signed a declaration acknowledging the receipt of the 1974 literature prize money awarded by the defendants in respect of a play written by him and declaring his ownership of the copyright of the work and agreeing that the defendants might publish it. He also undertook in the declaration to enter into an agreement with the defendants relating to copyright and the payment of royalty. No formal agreement was signed, but the play was published by the defendants. The plaintiff claimed damages and an injunction. The court decided that the plaintiff's copyright had been infringed by the defendants. The defendants, their servants or agents, should be restrained from further publishing or distributing the plaintiff's work and they should pay \$10,000 in damages and costs to the plaintiff.

⁶⁸ See the Malaysian Copyright (Amendment) Act 1997.

⁶⁹ [1916] 2 Ch 601

⁷⁰ [1980] 1 MLJ 129.

⁷¹ [1974] MLJ 28.

However, not all written or printed materials can automatically be considered as literary works. This is because they have to fulfil the requirement in section 7(3)(a) that ‘sufficient effort has been expended to make the work original in character’. The question whether sufficient effort has been used to make the work original in character has been discussed in the case of Hardial Singh Sekhon t/a Sekhon Management Services v MDC Sdn. Bhd. & Anor.⁷² The plaintiff in this case contended that there was an infringement of copyright in a book entitled Custom Duties Orders where the plaintiff was the copyright owner and also the author of the book. The court held that, in order to succeed in the action for infringement, the plaintiff must prove that the defendant without the plaintiff’s consent had done an act restricted under the Copyright Act.

The plaintiff must also assert that the work is either literary or artistic under the Copyright Act and a sufficient effort had been exercised in the making of it. He also must prove that he is the author of that work. However in this case the court held that Custom Duties Orders is not a literary work. The plaintiff’s work is considered as a secondary work, copied from various publications. Anyone who has access to the ‘Government Order’ and the ‘Government Gazette’ may produce material that is similar to the plaintiff’s work. Therefore, the plaintiff’s work does not fulfil the requirement of originality and he is not entitled to copyright.

Section 7(1) also includes tables and compilations as literary works because of the effort and skill involved in their compilation and selection. In the case of Kiwi Brands (Malaysia) Sdn. Bhd. V Multiview Enterprises Sdn. Bhd.,⁷³ the plaintiff applied for the summary judgment under O.14 of the Rules of the High Court of 1980 (‘RHC’) against the defendant for infringement of the plaintiff’s copyright in respect of artistic and literary works on the back label of its consumer product under the Copyright Act of 1987 (‘the Act’). The plaintiff was a locally incorporated company and a popular and well known manufacturer of consumer products. For the purpose of the present exercise, the plaintiff manufactured, distributed, marketed and sold various consumer products, in particular floor cleaner products, either through its agents, distributors, retailers and its licensees under the brand name ‘LEO’.

⁷² [1986] 2 CLJ 26.

⁷³ [1998] 2 CLJ Supp. 194.

One of the issue in this case was whether the plaintiff could claim for artistic copyright of the label, which was not stated in his statement of claim. Another issue was whether the plaintiff adduced sufficient evidence to warrant a summary judgment. Also, whether there were triable issues that could only be resolved at the trial proper and whether the reliefs prayed for the plaintiff should be granted. The court held that the plaintiff's claims for ownership of the copyright of the label concerned, and the question of whether the said label attracted copyright as a literary work within section 7 of the Act, were issues to be decided at the trial proper. An assertion of originality by way of an affidavit evidence in copyright cases is insufficient. As such, the plaintiff's assertions that the label was original, genuine and that sufficient effort had been expended in its production was lacking in evidence or particulars to support the same.

In Delimec Hygiene Sdn. Bhd. V EMIC (Malaysia) Sdn. Bhd.,⁷⁴ the plaintiff was a company set up in 1992 that carried out the business of selling cleaning products. The defendant was a company set up in 1999 that carried out similar business activities to the plaintiff. The plaintiff had filed a writ of summons against the defendant for breach of the plaintiff's trademark and copyright and passing-off the defendant's products and business as the plaintiff's product and business. It was the plaintiff's argument that the defendant had breached the plaintiff's trademark, as the defendant's trademark was very similar to the plaintiff's trademark. The plaintiff further submitted that the defendant had breached the plaintiff's copyright as the defendant had published pamphlets that were very similar to the plaintiff's advertising and promotional pamphlets in appearance and in style. It was held that after a comparison, the plaintiff and the defendant's pamphlets were very similar to each other, whether in their contents, pictures or design. At a glance, the pamphlets could cause confusion. Such similarities were enough for the court to conclude at this stage that there were serious issues to be tried in respect of the allegation that the defendant had breached the plaintiff's copyright.

b) Dramatic Works:

One thing that would differentiate the Malaysian Copyright Act from the UK Copyright Act is the fact that in the Malaysian Act, dramatic work is not separated from literary work. In fact, it is included as one of the items of literary work. Section 3 clearly states that literary works include;

⁷⁴ [2001] 1 AMR 391.

“plays, dramas, stage directions, film scenarios, broadcasting scripts, choreographic works and pantomimes”.

The above interpretation indicates that film scenarios are literary works but the film itself cannot be considered as a literary work because it is protected under its own category.⁷⁵

In the local case of Mohd. Ramly @ Zulkifli bin Ismail v Sarimah Filem Production Sdn. Bhd. & Anor,⁷⁶ the dispute revolved around the film ‘Dia Ibuku’. The plaintiff claimed that he was the author and owner of the copyright in a literary or dramatic work having a similar title as the film and that the first defendant had plagiarised his work by adapting or substantially reproducing the said work into the motion picture ‘Dia Ibuku’. As against the second defendant, the plaintiff alleged the contribution of the said film. The plaintiff claimed for a declaration as to authorship, an injunction restraining both defendants from letting or distributing the said film and for damages, accounts of profits and the delivery of all infringing films and costs.

In their defence, the defendants denied that the plaintiff was the author and owner of the copyright in the literary work entitled ‘Dia Ibuku’. By way of counterclaim, the defendants sought a declaration that the copyright in “Dia Ibuku” belonged to the first defendant or alternatively, that such rights to the work had not been acquired by the plaintiff in Malaysia under the provisions of the Copyright Act 1969. The issue was about whether a manuscript could be accepted as a dramatic or literary work. The court found that the basis of the plaintiff’s claim was for a long time based on his stage-play of a similar name rather than the manuscript of the film ‘Dia Ibuku’. Eligibility of literary work for copyright protection is stated in section 4(1) of the Copyright Act. The burden of proof is on the party asserting authorship to show that sufficient effort has been expended on making the work to give it an original character.

To establish infringement of copyright, there must be sufficient objective similarity between the infringing work and the copyright work, and the copyright work must be the source from which the infringing work is derived. On the balance of probabilities and the evidence, the plaintiff was found not to be the author and the copyright was said to belong to the first defendant. The court in this case held that a manuscript could be considered as a literary work under section 2(1) of the Copyright Act 1969. It concurred

⁷⁵ See Section 7(1)(d).

⁷⁶ [1984] 1 MLJ 105.

with the decision of Peterson J in the University of London Case where he stated that literary works means any written or printed works. There are other instances where the court held that the word 'literary' did not mean only literary works.

In the case of Tate v Fullbrook,⁷⁷ the Act in relation to dramatic copyright contemplated, as the subject of protection under them, something which can be printed and published. Therefore, where a dramatic piece in which there is copyright is, as regards the verbal composition, in substance entirely different from another dramatic piece, and is alleged to constitute an infringement of that copyright, the mere fact that accessorial matters, such as scenic effects, make-up of actors, or stage business, in the latter piece, as performed, are similar to those employed in the performance of the former will not constitute an infringement of the copyright therein. Such matters, taken by themselves, not being the subject of protection under the Acts relating to dramatic copyright, though in cases where the verbal composition of the pieces is more or less similar, may be regarded as throwing light on the question of whether there has been an infringement.

c) Tables and Compilations:

Section 3 of the Copyright Act states that table compilation is a literary work, whether or not expressed in words, figures or symbols and whether or not in a visible form. Compilations are protected, not because of their literary content, but because of the skill and effort which has been expended on their selection, compilation and arrangement. Thus, what is important is that sufficient skill and effort has been expended on the construction of these tables, or in the selection and arrangement of the compilations, so as to make them original literary works. Tables and compilations may also include computer databases. A database is a collection or accumulation of machine-readable information which is stored in such a way that it can be searched and retrieved, either sequentially or randomly, by a computer program. A database may consist of either individual works in which copyright exists, or facts or figures or information which are in the public domain.⁷⁸

⁷⁷ [1907] C.A 821.

⁷⁸ Khaw, *op. cit.*, pp.39-40.

Compilation copyrights are a special breed of copyrightable work. They are defined by the Copyright Act as works that are formed by the “collection and assembling of pre-existing materials or of data that is selected in such a way that the resulting work as a whole constitutes an original work of authorship.”⁷⁹

d) Computer Program:

A computer program is a set of instructions or commands that gives directions to the computer as to the sequences in which its operations should be conducted in order to carry out specific functions. The definition and other computer-related provisions in the 1987 Act were closely modelled on the Australian Copyright Amendment Act of 1984.⁸⁰

Computer programs are also classified as literary works. According to section 3, ‘literary work’ means any work, including computer programs.

That section further defined the computer program as an expression, in any language, code or notation, of a set of instructions (whether with or without related information) intended to cause a device having an information processing capability to perform a particular function either directly or after either or both of the following:

- (a) conversion to another language, code or notation;
- (b) reproduction in a different material form.

In the case of Microsoft Corp. v PC House (Imbi) Sdn. Bhd.,⁸¹ the plaintiff had applied for judgment in default of defence to be entered against the defendant which was opposed by the latter. The plaintiff, a company incorporated in the USA, had ownership of copyright subsisting in certain computer programs (‘the program’) protected under the Copyright Act 1987 (‘The Act’). The plaintiff claimed that the defendant had infringed its copyright in the programs by reproducing and distributing them without any lawful authority. In its proposed defence, the defendant admitted that, at the request of its customers, the defendant would buy the plaintiff’s program from legitimate software distributors and download them into the hard disks of its computers. The court allowed the application, and the question of whether or not the defendant had made any charge in downloading the programs was unclear, but given the obvious commercial

⁷⁹ <http://www.bitlaw.com/copyright/obtaining.html>.

⁸⁰ Khaw, *op. cit.*, p. 42.

⁸¹ [1998] 6 MLJ 402.

nature of such a transaction, it was reasonable to assume that it could not be entirely free. Since there was distribution by way of sale without any licence from the plaintiff, there would have been a clear infringement under section 36(1) read with section 13 (1)(c) of the Act. In the circumstances, on the basis of the proposed statement of defence, there could be no merit in the defendant's opposition.

Similarly in Autodesk Inc v Dyson⁸² the appellants, Autodesk Inc, were the owners of the computer program known as 'AutoCAD' which was used to assist the drafting of architectural and engineering designs and plans. To prevent illegal reproduction of their program, the appellants developed a hardware lock, called an 'AutoCAD lock', which was required to be plugged into the computer before the AutoCAD program could run. Written into the AutoCAD program was set of instructions called 'Widget C' which instructed the computer to send a challenge to the lock which would then return an appropriate response. The widget C then checked the response by comparing it with the correct response which it extracted from a 'look-up' table within it. If the program failed to receive the correct response, as when the lock was not plugged in, the program would not run or would cease to function. A lock was supplied with each purchase of the program and could not be purchased separately. The result was that a user could run only one program at a time. The third respondent, by a process of reverse engineering, designed an alternative device, called the Auto key lock, which performed the same function as the AutoCAD lock. The appellant brought an action for infringement of their copyright in their program.

The issue was whether there was a computer program, either in the lock or the AutoCAD program itself, within the meaning of the Act. The courts at all levels, mindful that the aim of the Copyright Amendment Act of 1984 was to extend copyright to computer programs, were of the view that the definition section ought to be construed liberally so as 'to give effect to the object and purpose which the legislature had in mind in the changes which it made to the law'. In the High Court, Mason CJ, Brennan and Deane JJ, taking the opportunity to define the meaning of 'computer program', held that the phrase 'expression in any language, code or notation of a set of instructions' in the definition section should not be understood as referring only to an actual written expression or representation of a set of instructions, with the result that copyright does not exist at the time of an alleged infringement unless such a written expression actually

⁸² [1993] 25 IPR 22.

exists or has existed at that time. What was protected, according to the learned judges, was any actual set of instructions 'regardless of whether they be actually expressed in a written form or merely embedded or stored in a non-sensate form such as electrical impulses on a disk, ROM or EPROM'.

As mentioned above, in Australia the definition of 'computer program' covers the initial program and the source code and the object code. Therefore the position in Malaysia would not differ greatly from that in Australia.

1.6.2 Authorship and ownership of copyright

The Copyright Act of 1987 provides that copyright shall be initially vested in the author of a work.⁸³ The author of the copyright work has the ownership right, which entitles him to have control of the doing of acts, which are restricted by copyright. The copyright owner has the right to treat the copyright as a moveable property through assignment, testamentary or by the operation of law.⁸⁴

The author of the work is defined under section 3 of the Act which states that 'author' in relation to literary work means the person who creates it. That person shall be taken to be

- “(b) musical works means the composer
- (c) artistic works other than photographs means the artist
- (d) photographs means the person by whom the arrangements for the taking of the photograph were undertaken.
- (e) in the case of a sound recording or film, the person by whom the arrangements necessary for the making of the recording or film are undertaken.
- (f) In relation to broadcast transmitted from within any country means the person by whom the arrangement for the making of the transmission from within that country were undertaken.
- (g) in relation to any other case, means the person by whom the work was made.”

As regards to literary works, the author of the literary works refers to the writer or the maker of the works.⁸⁵ However there is no definition of the word 'writer or maker' of the literary works. One can conclude that it refers to the person who put in the effort

⁸³ See section 26(1) Copyright Act 1987.

⁸⁴ See Khaw, *op. cit.*, p.66.

⁸⁵ See Section 3(a) of Copyright Act 1987.

reducing the work into material form. In cases where the person who records the works in the material form is different from the writer himself, there might be a problem.

With regard to work of joint-authorship, section 10(1) defines it as a work produced by the collaboration of two or more authors in which the contribution of each author is not distinct from that of the other author or authors. A broadcast is considered as a work of joint authorship, where more than one person is to be taken as making the broadcast.

For example, a writer may dictate his work to someone who then types out the work.⁸⁶

In the case of Donoghue v Allied Newspapers,⁸⁷ it was held that:

“a person may have a brilliant idea for a story, or for a picture, or for a play, and one which appears to him to be original; but if he communicates that idea to an author or an artist or a playwright, the production which is the result of the communication of the idea...is the copyright of the person who has clothed the idea in the form...and the owner of the idea has no rights in that product.”

The works produced by the joint authors when the interest in the copyright has been assigned to more than one person or when the work is done by more than one person, will result in co-ownership.

Section 26(1) deals with the first ownership of copyright where copyright shall remain vested initially in the author. In the case where a work is commissioned by a person who is not the author's employer under contract of service, the copyright is deemed to be transferred to the person who commissioned the work. Section 26(2)(b) concerns works that have not been commissioned but have been made in the course of employment, in which case the copyright shall be transferred to the author's employer.

1.6.3 Duration of Copyright

Copyright is restricted in its lifespan. For instance, copyright in literary, musical or artistic works shall subsist during the life of the author and fifty years after his death.⁸⁸

⁸⁶ See Khaw, *op. cit.*, p.67.

⁸⁷ [1938] Ch.106.

⁸⁸ See Section 17(1) Copyright Act 1987.

If a literary, musical or artistic work has not been published before the death of the author, the copyright shall subsist until 50 years from the beginning of the calendar year following the year in which the work was first published.⁸⁹ In the case of literary, musical or artistic work which is published anonymously or under pseudonym, copyright shall subsist until expiration of 50 years after the publication of the work. However, if the identity of the author is known the duration of copyright shall be calculated in accordance with section 17(1). Copyright subsisted in published editions,⁹⁰ sound recordings,⁹¹ broadcasts,⁹² and films,⁹³ exists for 50 years from the beginning of the calendar year following the year in which they were first published or made.

1.6.4 Moral rights

The Malaysian Copyright Act of 1987 confers moral rights and economic rights upon the creator of works. There is no definition of the author's moral right. 'Moral right' refers to the author's reputation and integrity, whereas 'economic rights' focuses more on activities associated with the commercial exploitation of a work protected by copyright. The two moral rights which are most relevant are:

- The right of identification, sometimes referred to as the 'right of paternity'
- The right of integrity – the 'right to object to derogatory treatment'.

The right of identification is crucial to authors, especially in the early stages of their career. On the other hand, the right of integrity has a direct economic impact where a distributed work, which is not an accurate reflection of an author's skill, discourages learned people from composing or at least from getting an advance for future works.⁹⁴ Under section 25 of the Copyright Act 1987 there are two types of 'moral rights'. Section 25(2) provides that where copyright subsists in a work, no person may, without the consent of the author, do or authorise the doing of any of the following acts; (a) the presentation of the work, by any means whatsoever under a name other than that of the author; and (b) the presentation of the work by any means whatsoever, in a modified

⁸⁹ See Section 17(2) Copyright Act 1987.

⁹⁰ See Section 18 Copyright Act 1987.

⁹¹ See Section 19 Copyright Act 1987.

⁹² See Section 20 Copyright Act 1987.

⁹³ See Section 22 Copyright Act 1987.

⁹⁴ http://elj.warwick.ac.uk/jilt/infosoc/98_1hold/holder.htm.

form if the modification (i) significantly alters the work and (ii) in such that it might reasonably be regarded as adversely affecting the author's honour or reputation.

The 'economic rights' are provided for under section 13(1) of the Act and consist of reproduction rights, the public performance right, the broadcasting right, the right to communicate by cables and the distribution right.

1.6.5 The Exclusive rights and infringement

The Copyright Act of 1987 confers upon the owner of the copyright in a literary, musical or artistic work, a film, or a sound recording, the exclusive rights to control several acts in Malaysia.⁹⁵ These acts include reproduction in any material form; communication to the public; broadcasting, communication by cable and distribution of copies to the public by sale or other transfer of ownership and the commercial rental to the public, of the whole work or a substantial part either in its original or derivative form. Therefore, it is an infringement to perform restricted acts in relation to substantial parts of the copyright work without the consent of the copyright owner. Under section 36(1) of the Act. "copyright is infringed by any person who does, or causes any other person to do, without the licence of the owner of the copyright, an act the doing of which is controlled by copyright under the Act."

Infringement occurs when there is substantial objective similarity between the plaintiff's work and the defendant's allegedly infringing articles or performance, and the latter must have been derived or copied directly or indirectly from the former. It is enough for the plaintiff to prove that the defendant had copied a substantial part of the plaintiff's work and not the whole of it.⁹⁶

In the case of Longman Malaysia Sdn. Bhd. v Pustaka Delta Pelajaran Sdn. Bhd.,⁹⁷ the plaintiff, a book publisher, alleged that the defendant had infringed its copyright when it copied three tables and eight diagrams from the plaintiff's textbook. From the facts, it appeared that the plaintiff's textbook contained about 304 diagrams while the defendant

⁹⁵ See Section 13(1) Copyright Act 1987.

⁹⁶ See Stone, Peter, Copyright law in the United Kingdom and the European Community, (London: The Athlone Press Ltd, 1990), p.42.

⁹⁷ [1987] 2 MLJ 359.

had about 366. The question was whether the defendant had reproduced a substantial part of the plaintiff's work. In deciding this question, Gunn J relied, first, on statements made by Lord Reid and Lords Evershed in Ladbroke (Football) Ltd v William Hill (Football) Ltd.⁹⁸ In that case the plaintiffs, who were bookmakers, ran a weekly football competition by sending out fixed odds football betting coupons to be completed by their clients. The plaintiffs alleged that the defendants, also bookmakers, had sent out coupons which closely resembled theirs. The plaintiffs claimed copyright in their coupons and infringement by the defendants.

It was held that there was skill, judgment and labour being expended, not only in the selection of the bets, matches and odds, but in the presentation of these selections in the coupons as well, and hence the coupons were original literary works. It was also held that the defendants had copied a substantial part of the coupons and were thus liable for infringement. According to Reid, 'substantiality' depended more on the quality than the quantity of what had been taken and one of the ways of determining this was whether the part taken was novel or striking or was merely a commonplace arrangement of ordinary words or well-known data.

The other type of infringement is secondary infringement. It relates to the importing of an article into Malaysia for the purposes of selling, letting for hire, distributing for the purpose of trade or any other purpose that will affect prejudicially the owner of the copyright, or by way of trade, exhibiting the article in public where he knows that the making of the article was carried out without the consent of the owner of the copyright.⁹⁹

1.6.6 Fair dealing

Even though subsection (1) of section 13 of the Act sets out the list of acts within the control of the copyright owner, the right of control under that subsection does not extend to the doing of the acts by way of fair dealing for the purposes of research, private study, criticism, review or reporting of current events.¹⁰⁰ There is no specific definition of fair dealing in the Act. In respect of fair dealing for the purpose of private study, this defence can only be used by the person who is engaged in private study

⁹⁸ [1964] 1 WLR 273.

⁹⁹ See section 36(2) of Copyright Act 1987.

¹⁰⁰ See section 13(2) of Copyright Act 1987.

himself. Similarly, only the researcher who had conducted the research could resort to this defence.¹⁰¹

Fair dealing with any copyright work for the purposes of criticism or review is not infringement, provided it is accompanied by a sufficient acknowledgement. An acknowledgement is not sufficient unless the copyright work is identified by its title or other description and the author is identified. The author does not have to be identified if the work was published anonymously. Fair dealing for the purpose of reporting current events does not infringe copyright. If the reporting is by means of sound recordings, films, broadcasts or cable programmes, then no acknowledgement is required. In any other case a sufficient acknowledgement is required. The concept of fair dealing is somewhat difficult to pin down.¹⁰² It seems from what was said by Lord Denning MR in Hubbard v Vosper¹⁰³ that fair dealing is a matter of fact and impression, to which relevant factors include the extent of the quotation and its proportion to comment, whether the work is unpublished, and the extent to which the work has been circulated, although not published to the public. The fair dealing principles will be discussed in detail in chapter 2 of the thesis.

In general the Malaysian legal system has been shaped by various vital events since the fifteenth century. In the earlier stage the laws that were widely accepted in the region were Muslim law and Customary law (*adat*), but eventually the legal system changed dramatically during the British Occupation in Malaya. The English Common Law system was introduced, together with legislative measures including the UK Copyright Act. Malaya has enacted several statutes since then, based on English law. In order to consolidate all the previous Copyright legislations in Malaya, the Copyright Act of 1969 was enacted. Nevertheless there were a few weaknesses in the Copyright Act of 1969 and the enforcement of the Act was not taken seriously at that time. The situation was different in the 1980s, as the government was urged at the national and international level to upgrade the protection of copyright in Malaysia. The United States used their power to exercise sanctions on the countries that conferred the least copyright protection. The other pressure came from the international organisation, the World Intellectual Property Organisation (WIPO), which urged Malaysia to conform to the international copyright protection. Malaysia acknowledged the needs for these changes

¹⁰¹ See Khaw, *op. cit.*, p.110.

¹⁰² See Pearson, Miller, *op. cit.*, p.134.

¹⁰³ [1072] 2 QB 84.

and acted accordingly by replacing the Copyright Act of 1969 with the new Copyright Act of 1987.

1.7 UK Copyright Law: Historical Background

Since the thesis focuses on Malaysian and UK copyright law it is therefore important to examine UK copyright law in order to see how far the UK copyright law has an influence on Malaysian copyright law. The discussion on UK law in this chapter is until the CDPA of 1988, before the implementation of the EU Information Directive.

Copyright is a broad and flexible form of intellectual property. It covers, for instance, an enormous range of subject matters.¹⁰⁴ The Copyright, Design and Patents Act of 1988 provides for the giving of protection under the Act in respect of a variety of works.¹⁰⁵ Before the 1911 Act, it seemed that the expression 'copyright' was confined to the right of multiplying copies and did not include the performing right in dramatic or musical works. It is a matter of some doubt whether the expression 'copyright' was, prior to that date, used only in relation to the right to restrain publication of published works, or to also include the right of an author to restrain publication of his unpublished works.¹⁰⁶

Decades ago, the idea that the author of a work of literature had an economic right to control the dissemination and copying of the work was not particularly well established, and yet those who falsely claimed a work were considered contemptible. According to Bainbridge most authors at that time were teachers.¹⁰⁷ There is no doubt that the copyright law has a relatively long history and its roots can be traced back to before the advent of printing technology, which permitted the printing of multiple copies quickly and at relatively little expense.¹⁰⁸ It was after the development of large-scale methods of production of works, in particular the printing press, that the potential for the profitable exploitation of printed works was finally recognised. As a result there was a

¹⁰⁴ See Seville, Catherine, Literary Copyright Reform in Early Victorian England (Cambridge: Cambridge University Press, 1999), p.9.

¹⁰⁵ See Section 1(1) CDPA 1988 states that copyright shall subsist in every original literary, dramatic, musical sound recording.

¹⁰⁶ See Copinger and Skone James, Copinger and Skone James on Copyright, (London: Sweet & Maxwell, 1991), p.3.

¹⁰⁷ See Bainbridge, p.27.

¹⁰⁸ Ibid, p.31

demand for the exclusive right to make copies of a work by printers and publishers but not by authors.¹⁰⁹

The earliest exclusive legal rights in literary and graphic works were granted by the sovereign, and granted the sole right to reproduce specific works which were a source of considerable profit to the crown. These privileges were given in the form of a grant of Letters Patent to the printer, but in some instances it benefited the author himself, who in turn transferred his rights to a printer and publishers for a consideration. Through these grants, the crown could exercise some form of control and censorship.¹¹⁰ It is known that in the early stages these privileges generally concerned the right to publish the classic works of antiquity; therefore the need to seek the author's consent or to acquire his manuscript did not arise. The duration of the privilege at that time was quite specific (for example, seven years) but it might also be renewable.¹¹¹

The original charter of the stationer's company was granted by Phillip and Mary in 1556. At that time, there were several decrees and ordinances of the Star Chamber regulating the manner of printing, the number of presses throughout the kingdom and prohibiting all printing against the force and meaning of any of the statutes or laws of the realm.¹¹²

The world's first Copyright Act was passed by the British Parliament in 1710. It has become known as the Statute of Anne.¹¹³ The Statute of Anne sowed the seeds of the legislation we now have. Over the years, painting, engraving, sculptures and other aesthetic creations were brought within the reach of copyright protection.¹¹⁴ The Act provides writers with the statutory capacity to exclude others from the right to reproduce copies of their work and to publish and circulate these copies in a market.¹¹⁵ The right brought into the 1710 Statute was an alienable right which could be sold, traded or engaged in certain economic exchanges, based on the mechanical duplicates of

¹⁰⁹ See Phillip, Jeremy, Firth, Alison, Introduction to Intellectual Property Law, (London: Butterworths, 1990), p.105; see also Seville, *op. cit.*, at p.9.

¹¹⁰ See Phillip, Jeremy, Durie, Robyn, Karet, Ian, Whale on Copyright (London: Sweet & Maxwell, 1997), p.2.

¹¹¹ *Ibid.*

¹¹² See Copinger, *op. cit.*, at p.4.

¹¹³ See Saunders, David, Authorship and Copyright, (London: Routledge, 1992), p.10.

¹¹⁴ See Laddie, *op. cit.*, at p.253.

¹¹⁵ See Saunders, *op. cit.*, p10.

the work.¹¹⁶ However, the booksellers argued that the statutory period of protection provided by the Act of 1709 was too short for the effective conduct of their business and it was in 1814 that a new Act was passed as an encouragement to literature.¹¹⁷

The 1709 and 1814 Act were repealed by the Copyright Act of 1842. The 1842 Act extended the period of copyright to the life of the author plus 7 years after his death, or a term of 42 years from publication, whichever should be longer, or 42 years from publication if published after the author's death. The 1842 Act contained provisions for registration at Stationers' Hall. This was not compulsory, but had to be effected before any action could be brought against infringers.¹¹⁸

The 1842 Act was repealed by the 1911 Act. The Act repealed all previous statutes on the subject of literary and artistic copyright, with the exception of the Musical (summary proceedings) Copyright Act of 1902 and the Musical Copyright Act of 1906 and one section of the Fine Arts Copyright Act of 1862. The 1911 Act came into force on July 1, 1912. However, the Copyright Act of 1956 later provided a revised version of the 1911 Act which, while differing in many individual features, was still recognisably related to its predecessor.

The twentieth century has come to regard copyright as an economic right. In fact, twentieth century law is heavily based on nineteenth century law, with the obvious changes needed to take account of developments in technology. It was in the early nineteenth century that new technology began to drive demand for new forms of protection.¹¹⁹ In the UK, it seems that the 1956 Act served its purpose well until the early 1970s, when the copyright-related industries underwent an apparently irreversible metamorphosis as a consequence of the discovery and development of new technologies for the reproduction and dissemination of authors' works.¹²⁰

“The international dimension of copyright was to become of increasing importance. Early copyright laws usually protected only nationals of the relevant state, or at best works first published in that state. An increase in the reading public coupled with advances in communications meant that it was worthwhile

¹¹⁶ *Ibid.*

¹¹⁷ See Phillips, Durie, Karet, *op. cit.*, at p.9.

¹¹⁸ See Copinger, *op. cit.*, pp. 8-12

¹¹⁹ See Alison, Firth, The Prehistory and Development of Intellectual Property System, (London: Sweet & Maxwell, 1997), p.52.

¹²⁰ See Phillips, Durie, Karet, *op. cit.*, pp. 9-10.

to publish 'continental' editions, for which a British author was entitled to nothing. Protection could only be obtained by bilateral treaties, slowly and painfully negotiated, or by informal agreements amongst the various publishers."¹²¹

At present, the economic potential for copyright works in many cases are world-wide: for example, a song or film first played in one country might be sung or shown in most countries of the world within a very short period. It would be totally inadequate if consideration were given to the rights of the UK copyright owner only. Obviously, without some kind of international cooperation, the exploitation and policing of copyright would be unworkable.

1.8 The International Influence

Due to the international flavour of copyright law, multilateral conventions have been established to promote international cooperation. At an international level, the Berne Convention, which came into existence in 1886, is the primary international copyright convention; the other is the Universal Copyright Convention, which was formed in 1952.¹²²

According to Porter,¹²³ both the national and international interest in copyright can be traced back to the very beginnings of the Berne Convention for the Protection of Literary and Artistic Works, the international convention that is the linchpin of all copyright protection. The Berne Convention has been renewed and revised several times since it was first signed in 1886: in Paris in 1896; in Berlin in 1908; in Rome in 1928; in Brussel in 1948; in Stockholm in 1967; and again in Paris in 1971.

The Berne Convention provides for the reciprocity and minimum standards of protection for authors of literary and artistic works (and their successor in title). It is described in Article 2(1) as covering;

“every production in the literary, scientific and artistic domain,...such as books, pamphlets and other writing, lectures, addresses, sermons and other works of the same nature, dramatic or dramatico-musical works choreographic works and

¹²¹ See Alison, Firth, *op. cit.*, p.52.

¹²² See Dworkin, Gerald, Copyright, Design and Patent Act 1988, (London: Blackstone, 1989), p.11.

¹²³ See Porter, Vincent, Beyond the Berne Convention. Copyright, Broadcasting and the Single European Market, (London: John Libbey Co. Ltd., 1991), p.2.

entertainments in dumb show, musical compositions with or without words, cinematographic works [including] works expressed by a process analogous to cinematography, works of drawing, painting, architecture, sculpture, engraving and lithography, photographic works[including] works expressly by a process analogous to photography, works of applied art, illustrations, maps, plans, sketches and three-dimensional works relative to geography, topography, architecture or science. Also included as original works are translations, adaptations, arrangements of music and other alteration of literary or artistic works and collections of literary or artistic work, such as encyclopaedias and anthologies which by reason of the selection and arrangement of their contents, constitute intellectual creations.”¹²⁴

The purpose of the Convention was; “to protect, in as effective and uniform a manner as possible, the rights of authors in their literary and artistic works.” The preamble of the Berne Convention also indicates the objectives of the Convention. These objectives and other specific legal details have an implication for the development of UK Copyright legislation, where copyright had been developed from common law principles, and the title of the first British Copyright Act of 1709/10 was “for the encouragement of learning by vesting the copies of printed books in the authors or purchasers of such copies during the times therein mentioned.” This means that the Berne Convention did not conflict with the common law tradition of the UK and that is why there was little need for parliamentary debate when the country acceded to it.¹²⁵

It is important to note, however, that the convention of the Berne refers to the “literary and artistic works” in relation to the subject matter with which it is concerned, and this expression is similar to the term “literary, dramatic, musical and artistic works” as used in the UK Copyright Act. The convention provided protection for cinematographic works and considered those to be original works. Unfortunately, the convention does not define the author of the cinematographic work. However, under the UK Act, the author of the cinematographic work is the producer of the film, and in many other countries of the European Union, the author can only be a person who, as author, composer, director or otherwise, has made a creative contribution to the film.¹²⁶

The Berlin revision of 1908 provided additional protection for authors when their works were produced by the new mechanical recording technologies of photography, sound recording and cinematography. The convention also provides protection for

¹²⁴ See Stone, Peter, Copyright Law in The United Kingdom and European Community, (London: The Athlone Press Ltd., 1990), p.1.

¹²⁵ See Porter, *op. cit.*, pp. 2-3.

¹²⁶ See Phillips, Durie, Karet, *op. cit.*, p.118.

photographic works, and authors of literary and artistic works were given the right to authorise the adaptation of works when they were recorded mechanically or in public performances of recordings of their works. As for the protection of film, when a literary or artistic work was produced by cinematography, not only was the author protected, but also cinematographic films themselves also protected 'if the author had given the work a personal and original character'.¹²⁷

Another world organisation that plays an important role in the development of copyright law is the World Intellectual Property Organization (WIPO). WIPO is an international organisation dedicated to helping to ensure that the rights of creators and owners of intellectual property are protected worldwide and that inventors and authors are thus recognized and rewarded for their ingenuity. This international protection acts as a spur to human creativity, pushing forward the boundaries of science and technology and enriching the world of literature and the arts.¹²⁸

The extent of protection and enforcement of intellectual property rights varied widely around the world. These rights became more important in trade and sometimes these differences became a source of tension in international economic relations. New internationally-agreed trade rules for intellectual property rights were seen as a way to introduce more order and predictability, and for disputes to be settled systematically. The WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) is an attempt to narrow the gaps in the way these rights are protected around the world, and bring them under common international rules. The areas covered by the TRIPs Agreement are;

- Copyright and related rights
- Trademarks, including service mark
- Geographical indications
- Industrial designs
- Patents
- Layout-designs (topographies) of integrated circuits
- Undisclosed information, including trade secrets

The agreement covers five broad issues;

- how basic principles of the trading system and other international intellectual

¹²⁷ See Porter, *op. cit.*, p. 4.

¹²⁸ See <http://www.wipo.org/about-wipo/en/gib.htm>.

property agreements should be applied

- how to give adequate protection to intellectual property rights
- how countries should enforce the rights adequately in their own territories
- how to settle disputes on intellectual property between members of the WTO
- special transitional arrangements during the period when the new system is being introduced.

In respect of each of the main areas of intellectual property covered by the TRIPs Agreement, the agreement sets out the minimum standards of protection to be provided by each member. The Agreement sets these standards by requiring, first, that the substantive obligations of the main conventions of the WIPO, the Paris Convention for the Protection of Industrial Property (Paris Convention) and the Berne Convention for the Protection of Literary and Artistic Works (Berne Convention) in their most recent versions, must be complied with.¹²⁹ The second part of the TRIPs agreement looks at different kinds of intellectual property rights and how to protect them.

The purpose is to ensure that adequate standards of protection exist in all member countries. The TRIPs agreement ensures that computer programs will be protected as literary works under the Berne Convention and outlines how databases should be protected. It also expands international copyright rules to cover rental rights. Authors of computer programs and producers of sound recordings must have the right to prohibit the commercial rental of their works to the public. The agreement also states that performers must have the right to prevent unauthorised recording, reproduction and broadcast of live performances for no less than 50 years. Producers of sound recordings must also have the right to prevent unauthorised reproduction of recordings for a period of 50 years.¹³⁰

1.9 The Modern Law of Copyright: The Copyright Act of 1988

The Copyright Act of 1988 is one of the developments in a process which has been going on for centuries. Copyright law is a product of its time: it is a reaction to technological developments which create new types of works and new means of exploiting existing works. The subject matter of copyright and the technological means

¹²⁹ See http://www.wto.org/wtoenglish/tratop_e/trips_e/intel2_e.htm.

¹³⁰ See http://www.wto.org/wto/english/thewto_e/whatis_e/tif_e/agrm6_e.htm.

for using copyrighted works are constantly changing, so the work of the legislation is to maintain a balance between the creators and the users in a world of change.¹³¹

1.9.1 Works eligible for copyright

Copyright can subsist only in specified descriptions of works. Section 1(1) lists the works in which copyright can subsist as being;

- “(a) original literary, dramatic or artistic works
- (b) sound recordings, films broadcasts or cable programmes and
- (c) the typographical arrangement of published editions.”

The group of works above are also covered by what are sometimes called the ‘author’s rights’.¹³² The work must be original to be considered as ‘works’. The courts over the years have attempted to develop tests to show whether the subject matter is an original work.¹³³

Although the concept of originality first appeared in the Copyright Act of 1911, it was not been specifically defined in statute. Therefore, in the absence of a statutory definition, the courts have done their best to give a meaning to the concept.¹³⁴ As far as copyright is concerned, the word ‘original’ does not require that the work must be new or innovative, but the word ‘original’ itself does not have its ordinary dictionary meaning and the courts have interpreted the concept very loosely. Under copyright law, originality refers to the manner in which the work was created and it usually requires that the work in question originated from the author, its creator, and most importantly that it was not copied from another piece of work.¹³⁵

In University of London Press Limited v University of Tutorial Press Limited¹³⁶ it was held that copyright subsisted in the examination papers as ‘original literary work’ within

¹³¹ See Groves, Peter, Copyright and Designs Law a Question of Balance, (London: Graham & Trotman Limited, 1991), p.7.

¹³² See Pearson, Hillary, Miller, Clifford, Commercial Exploitation of Intellectual Property, (London: Blackstone Press Limited, 1990), p.98.

¹³³ See Bainbridge, *op. cit.*, pp. 38-39.

¹³⁴ See Saunders, *op. cit.*, p.21.

¹³⁵ See Bainbridge, *op. cit.*, p.39.

¹³⁶ [1996] Chancery Division, pp. 601 & 608-609.

the meaning of Section 1(1) of the Copyright Act of 1911. Peterson J also discussed the meaning of the word 'original';

“The word ‘original’ does not in this connection mean that the work must be the expression of original or inventive thought. Copyright Act is not concerned with the originality of ideas, but with the expression of thought, and in the case of ‘literary work’, with the expression of thought in print or writing. The originality which is required relates to the expression of the thought. But the Act does not require that the expression must be in original or novel form, but that the work must not be copied from another work- that it should originate from the author.”

The question whether the respondent's coupons can be considered as original work within section 2(1) of the Copyright Act 1956 was discussed by the court in the case of Ladbroke (Football Ltd) v William Hill (Football) Ltd.¹³⁷ The court then held that it was right to take into account the considerable skill, judgment and labour expended by the respondents in the selection of types of wagers, for the production of the coupon. The question of originality was also considered in the case of Interlego A.G v Tyco International Inc.¹³⁸ where the court held that skill, labour or judgment merely in the process of copying could not confer originality. There must, in addition, be some element of material alteration or embellishment which sufficed to make the totality of the work an original work, having regard to the quality rather than the quantity of the addition.

The Copyright Act imposed a condition where a literary, musical or artistic work must qualify as ‘work’ in order to get protection. To determine whether it has satisfied this condition, one must consider the amount of skill, labour and judgment which has gone into the creation.¹³⁹

“The prerequisite of a ‘work’ is that it be the product of human endeavour, be that endeavour ever so slight, and not simply something which occur in nature. The human element of a work may take one or more of a number of forms; it may be found in the skill and effort involved in the act of creation, in the time required for its production, in the length of the resulting product, in the cost

¹³⁷ [1964] 1 All ER p.465.

¹³⁸ [1988] R.P.C p.346.

¹³⁹ See Bainbridge, *op. cit.*, p.41.

required for its construction or even in the construction of a computer program which selects, apparently at random, the features of its printout.”¹⁴⁰

In LA Gear Inc v Hi-Tec Sports Plc¹⁴¹ the employee of P made a drawing for a man's shoe (the Fire shoe). She later made drawings for an adaptation of the Fire shoe for women (the Flame shoe). P obtained a shoe called the Flair shoe originating from D which appeared identical to the Flame shoe. A letter was written on August 29, 1989, enclosing a copy of a drawing for the Flame shoe and claiming copyright in the drawings from which the shoes were made. In September 1989, D imported 40 pairs of Flair shoes. Samples of the Fire shoe were in the possession of employees at a trade fair on September 17, 1989, but were not openly exhibited or offered for sale. P issued a summons for summary judgement and injunctions to restrain infringement of copyright. At first instance it was held that there were no triable issues, and summary judgement on the issue of copyright infringement was given and the injunctions sought were granted, but D's appeal was later dismissed. The court decided that there was no reason to doubt the evidence of P's employee that the drawing for the Fire shoe was her original work and therefore there was no triable issue of originality. However there was a triable issue whether the drawings for the Flame shoe were original. As copyright was infringed by doing of an act restricted by the copyright in relation to a substantial part of the work, P was entitled to succeed relying only on the drawing for the Fire shoe.

1.9.2 Authorship and Ownership of Copyrights:

Over the centuries, the copyright law has developed and within that period only the analogue replication of works have been allowed. Due to this, the copyright owner's bundle of rights is formed based on a number of discrete acts; for instance reproduction, public performance and so on. The new changes in copyright law mainly because it has to respond to changes in technology. Although it is clear that the copyright system is based on a number of discrete acts, it is doubtful that it can still be applied in the digital environment.¹⁴²

¹⁴⁰ See Phillips, Firth, *op. cit.*, p.115.

¹⁴¹ [1992] F.S.R 121.

¹⁴² See Olswang, Simon, 'Accessright: An Evolutionary Path for Copyright into the Digital Era?', 1995, 5 EIPR 215.

‘Author’ is defined as the person who creates a work. It is generally agreed that the creator is the person who actually writes or draws the original work, but this principle is subject to important – if infrequently litigated – exceptions. In the first place it is tempered by the notion of the amanuensis; that is, the person who writes or draws, not on his own initiative but as if his hand belonged to another. The businessman who dictates letters to a shorthand typist so that they may be typed up is to be regarded as the author, even though the typist’s skill at shorthand caused the letters to take the physical form necessary for copyright to subsist. It is unlikely that the shorthand typist’s skill and labours cause any further copyright to come into being by faithfully transcribing the spoken word. The shorthand typist, for the purposes of copyright, is regarded therefore as being no more than a mindless pair of hands.¹⁴³

In the case of Kenrick & Co v Lawrence & Co¹⁴⁴ the plaintiffs were a firm of printers. A member of the firm conceived the idea of printing and publishing cards bearing a representation of a hand holding a pencil in the act of completing a cross within a square, with a view to such cards being used at parliamentary and other elections for the guidance and instruction of illiterate voters in the marking of their ballot papers. The plaintiffs registered the drawing under the Copyright (works of Art) Act of 1862. Subsequently the defendants published similar cards with a hand holding a pencil in the act of completing a cross for a particular square of a voting paper. In this case the court held that an action for infringement of copyright could not be maintained on the ground that the plaintiffs’ drawing was so far not the subject of copyright that it was not entitled to protection against an imitation which was not an exact reproduction.

Section 11(1) CDPA 1988 laid down the general rule that the author of a work is the first owner of any copyright in it. The basic rule is that the author of literary, dramatic or artistic work is the person who creates it.¹⁴⁵ Normally this will be the person whose skill, labour and effort it is that warrants copyright protection in the first place.

The basic rules of authorship and ownership apply to the literary, dramatic, musical and artistic works, although there is a special provision in the case of computer-generated works. In Cummins v Bonds¹⁴⁶ a medium was held to be the author of a work which she

¹⁴³ *Ibid.*, p. 118

¹⁴⁴ [1890] 25 QBD 99.

¹⁴⁵ See section 9(1) CDPA 1988.

¹⁴⁶ [1927] 1 Ch 167.

claimed merely to have written down in a séance at the dictation of ‘some being no longer inhabiting this world, and who has been out of it for a length of time sufficient to justify the hope that he has no reasons for wishing to return to it’.

Section 9(2) clearly provides who is to be taken to be the author of these works. In the case of a sound recording or film, the author is the person who made the arrangement necessary for the making of the recording or film. For broadcast and cable programmes, the authors are the persons who are making the broadcast and providing the cable programme.

“Computer-generated works are an interesting hybrid since they are given an entrepreneurial treatment (owned by the person by whom the arrangements necessary for the creation of the work are undertaken) even though the work created is a literary, dramatic, musical or artistic one. However this does not deprive any creative individual of ownership which should properly be his, since computer-generated is a residual category which applies ‘in circumstances such that there is no human author’. Thus a novel, first fixed by being typed into a word processor, is obviously not computer-generated as it is clear that there is a human author, the novelist.”¹⁴⁷

1.9.3 Joint authorship

Sometimes, where a number of individuals make contributions to a work, the identity of a work’s legal ‘author’ can be uncertain. Special rules also apply to works of joint authorship. Works of joint authorship are defined as works which are produced by the collaboration of two or more authors in which the contribution of each author is not distinct from that of the other author or authors.¹⁴⁸ Therefore, in the case where one person writes the lyrics of a song and the music is composed by another person, the song will not be considered to have been produced through joint authorship.

This is demonstrated by the case of Cala Homes v Alfred McAlpine Homes¹⁴⁹ where the employee of a building company gave a very detailed brief to a firm of technical draughtsmen as to the design of certain houses, even down to the choice of materials. He did not, however, actually put pen to paper. Mr. Justice Laddie held that:

¹⁴⁷ See Dworkin, *op. cit.*, p. 47.

¹⁴⁸ See Section 10(1) CDPA 1988.

¹⁴⁹ [1995] FSR 818.

“To have given regard merely to who pushed the pen is to narrow a view of authorship. What is protected by copyright in a drawing or a literary work is more than just the skill of making marks on paper or some other medium. It is both the words or lines and the skill and effort involved in creating, selecting or gathering together the detailed concepts, data or emotions which those words or lines have fixed in some tangible form which is protected. It is wrong to think that any person who carries out the mechanical act of fixation is an author. There may well be skill and expertise in drawing clearly and well but that does not mean that it is only that skill and expertise which is relevant. Where two or more people collaborate in the creation of a work and each contributes a significant part of the skill and labour protected by the copyright, then they are joint authors.”

Accordingly, the court held that although the builders’ executive did not draw the designs, he was to be considered a joint author.

The issue of joint authorship was also considered in the case of Tate v Thomas¹⁵⁰. There was an agreement between plaintiffs T and P, and it was agreed that P should commission T to write the music of a play called the ‘Lads of the Village’, and that the other two plaintiffs, H and V, should collaborate in the libretto and write the necessary lyrics. In consideration for this work, P agreed to make certain payments to T. On the completion of the work by the three plaintiffs, P claimed to be the author thereof and entitled to the ownership of the copyright. P later assigned to the defendant company all his rights in the revenue. The defendant company then gave a licence to the first defendant to produce a film of the play in consideration of a royalty. The plaintiff claimed damages from the defendants for an alleged infringement of their copyright. The court held that, inasmuch as P’s contribution to the production of the play was not the subject matter of copyright under the Act, he could be neither the sole author nor one of the joint authors of the play as a collective work within the meaning of the Act, and, therefore had no interest in the copyright of the play.

In the digital age, among all of the works on the internet, the website is considered the most complex. This is because there are many copyright works overlapping, which every work may have a different owners and there is also the issue of protection, which is unconnected from the whole thing. To most website designers what is important is how the site looks and how quickly it can be displayed. The first stage is usually to create a scheme that shows how each of the different pages of a site fit together. For example, the first page, or home page, will generally link to many pages, rather like a contents page of a book. The Act is of little guidance in case of joint authorship of

¹⁵⁰ [1921] 1 Ch. 503.

websites, demanding only that joint authorship requires both collaboration and contributions that are indistinct.

A number of UK cases have considered the circumstances in which 'joint' authorship can arise. The most recent of these is Park J's decision in Hadley v Kemp.¹⁵¹ These proceedings arose from the dissolution of the pop group, Spandau Ballet. The claimants were all former members of the group and the second defendant was the recording company. The claimants brought proceedings for breach of contract and infringement of copyright. Neither was successful. The claim for copyright infringement was based upon an assertion that the claimants and the first defendant were joint authors of the group's songs. They did not dispute that the defendant's primary role in composing music and lyrics entitled him to a share in the resulting copyright. However, they claimed that, in rehearsing and performing the songs, they had contributed sufficient labour and skill to be joint authors.

Park J reviewed a number of recent decisions on the requirements for the creation of a 'joint work'. He was satisfied that, save for one particular song, the case before him could be distinguished from previous cases of communal creation. When the first defendant presented his compositions to the rest of the group, they were substantially complete. The claimants performed their various parts of the songs in their own individual ways but, as such, their contribution was to the performance rather than the creation of the works.

In Fylde Microsystems Ltd v Key Radio Systems Ltd.,¹⁵² Laddie J had found that the contribution made to a software product by beta-testers was not a contribution of the 'right kind of skill and labour'. Park J applied the same phrase to the contribution of the claimants in Hadley.

1.9.4 The Categories of Work Protected

(a) Literary Works;

¹⁵¹ [1999] EMLR 589.

¹⁵² [1998] F.S.R 449.

The first type of work protected by the law of copyright was the literary work, since the Statute of Anne in 1709 was passed in response to a demand from printers that their profitable book monopolies be preserved. In the eighteenth century it was not thought necessary to seek to define the scope of what the law protected, since books were so much at the heart of the copyright-based industries, but by the latter part of the twentieth century it has become apparent, firstly that books represent only one of many elements in UK intellectual property transactions, and secondly, that works of a very diverse nature are now treated to the protection enjoyed by the 'literary work'.¹⁵³

Literary, dramatic and musical works are defined in section 3(1). It reads;

“‘Literary works’ means any work, other than a dramatic or musical work, which is written, spoken or sung and accordingly includes table or compilation other than database; computer program; preparatory design material for a computer program and database.”

This definition is a far cry from the notion of 'book' which permeated the 1709 Statute of Anne. It includes all forms of written and recorded word-based works, including newspapers, slogans, advertisements, mathematical formulae, codes, tables and computer programs.¹⁵⁴

Little difficulty has arisen concerning the concepts of dramatic or musical works, but the concept of a literary work has given rise to substantial case law. Apart from the requirements for all types of original work, and the exclusion of dramatic and musical works, it seems that the concept of a literary work involves merely that the work should consist of words, numbers or some analogous code, and should express ideas, emotions or information intelligible to human beings or instructions intelligible to a computer.¹⁵⁵

Examples of matter that has in the past qualified as literary include listings of television programmes, lists of racehorses, football fixture lists and street directories. Mathematical tables and lists of telegraph codes qualify as literary works, as does any other kind of compilation. Thus, literary works are not limited to what is expressed in words. An intellectual creation can exist as a thing in itself without ever having been written down or recorded in some other way. Thus it is clear that what is said in an extempore speech or an interview given to the press or a recitation or live performance

¹⁵³ See Phillips, Firth, *op. cit.*, p. 120.

¹⁵⁴ See Phillips, Durie, Karet, *op. cit.*, p.28.

¹⁵⁵ See Stone, *op. cit.*, p.13.

qualifies as a literary work, even though it has not been recorded in any way.¹⁵⁶ Even speech generated and spoken by a machine may qualify as a literary work. What appears to be at the heart of the approach of the 1988 Act to literary, dramatic and musical work is the attempt to distinguish the essence of what constitutes the 'work' from the medium in which it is recorded. This is a subtle distinction. It provokes deeper consideration of what constitutes any particular kind of work; what is its essence? The approach will also inevitably lead to the boundaries between different kinds of copyright works becoming less well defined.¹⁵⁷

How short may a literary work be and yet retain the protection of law? So far no English courts have yet accepted that copyright might subsist in a single word.¹⁵⁸ In Exxon Corporation v Exxon Insurance Consultants International Ltd.,¹⁵⁹ 'literary' has been defined as something which was intended to afford to another either information and instruction or pleasure in the form of literary enjoyment.

Having achieved the status of a literary work is not enough for copyright protection. According to Section 3(2) of the Act, 'a literary work will not qualify for protection until it has been recorded in writing or otherwise'.

The word 'writing' indicates any form of notation, whether by hand or otherwise and regardless of the method by which, or medium in or on which, it is recorded, whereas the words 'or otherwise' indicate that practically any means of recording a literary work should be sufficient. In fact, literary matter stored in computer databases, on tape, disk or in any other way will qualify as having been sufficiently recorded for copyright purposes. Thus almost anything can qualify as 'literary' if it is capable of being recorded in some way in print, regardless of how it is actually recorded.¹⁶⁰

In the case of Express Newspapers Plc v Liverpool Daily Post & Echo plc.,¹⁶¹ the court decided that the preparation of the grids and letter sequences involved skill and labour, and they provided information as to the winning sequences; that, accordingly, copyright as a "literary work" existed in each of the grids and sequences so that on each day on which the defendants produced a copy there was an infringement of the copyright in the

¹⁵⁶ However as stated below section 3(2) of the 1988 Act requires the work to be recorded in writing or otherwise before it qualifies for copyright protection.

¹⁵⁷ See Pearson, Miller, *op. cit.*, p. 99.

¹⁵⁸ See Phillips, Firth, *op. cit.*, pp.121-122.

¹⁵⁹ [1982] R.P.C p.70.

¹⁶⁰ See Pearson, Miller, *op. cit.*, pp.99-100.

¹⁶¹ [1985] 1 W.L.R 1089.

entirety of the work. In this case the game “Millionaire of the Month”, published in a daily newspaper, involved skill and labour and was a “literary work” for the purpose of copyright proceedings. P, newspaper publishers, adopted a promotional scheme in the hope of increasing the circulation of three newspapers, consisting of a competition called “Millionaire of the Month”. Numbers of cards carrying a five-letter code were distributed free and at random, and the papers daily carried a grid, containing 25 letters and 2 separate rows of 5 letters, which any member of the public could check to see if they qualified for a prize. Entry to the scheme was free and not conditional upon buying one of P’s newspapers. D, publishers of provincial newspapers, began copying the grids and winning sequences of letters day by day in their various publications. P sought an injunction to restrain the defendants from publishing or reproducing any part of their game known as “Millionaire of the Month,” published or to be published in any of the plaintiffs’ newspapers.

(B) Dramatic work;

Section 3 CDPA 1988 states that “‘literary work’ means any work, other than a dramatic work...”. The section continues; ‘dramatic work’ includes a work of dance or mime.’ This indicates that any sequence of actions, even in the absence of sound, which has been recorded in a medium from which it may be retrieved and copied does constitute a dramatic work. Dramatic works received separate treatment because they are intended to be performed rather than simply read.

However, from the decided cases it can be inferred that a dramatic work does not necessarily have to be a play or screenplay. In Tate v Fullbrook¹⁶² it was held that a visual skit for a music hall sketch involving the use of a firework was not the subject matter of copyright because it had not been reduced to writing. In Green v Broadcasting Corp. of New Zealand¹⁶³ the copyright alleged to have been infringed was claimed to subsist in the scripts and dramatic format of ‘Opportunity Knocks’ as broadcast in England. The appellant’s primary difficulty arises from the circumstances that no script was ever produced in evidence. The court held that in the absence of precise evidence as to what the scripts of the show contained, it appeared that these did no more than

¹⁶² [1908] 1 KB 821.

¹⁶³ [1989] R.P.C pp. 700-701.

express a general idea or concept for a talent contest. They were thus not the subject of copyright.

In Wiseman v George Wiedenfeld & Nicolson¹⁶⁴ the second defendant, Donalson, turned his novel, 'The English Way Of Doing Things' into a play with the same title. He did so on the suggestion of the plaintiff, who at various stages of the adaptation made suggestions and criticisms. The plaintiff subsequently claimed to be co-author of the play and so entitled to share in the copyright. Whitford J stated that a dramatic work involves, of course, not only dialogue but a series of incidents-dramatic situations - which in a particular order or occurrence can form the backbone of the piece.

Under the 1988 Act the instructions for the performance can be recorded in any form. Although section 3(2) required that dramatic work must be recorded 'in writing or otherwise' before it can qualify for protection, this implies that a work which has not been recorded also qualifies as a work. It simply cannot be protected until recorded.¹⁶⁵

(C) Computer programs;

Generally the author of a literary, dramatic, musical or artistic work is its creator in a real sense. He or she (but not it) is the person who, by exercising labour, skill and judgment, gives expression to ideas of the appropriate kind.¹⁶⁶ The 1988 Act provides protection for computer programs and preparatory design material for computer programs as literary works. In view of the rate of development of computer technology, the Act very wisely does not attempt to define the term 'computer program' in order to give some flexibility in the law.¹⁶⁷

Copyright work may be created by a computer in circumstances where it is neither realistic nor feasible to identify one or more specific individuals as the author. This reality is recognised by the law, which describes them as 'computer-generated' works. In such a case the 'author' is regarded as the person who undertakes the arrangements necessary for the creation of the work. It is not certain who this person will be, but it is clear that a human being who controls the generation of the work will be regarded as its author. Since a computer can be regarded either as the progenitor of a work or as a mere

¹⁶⁴ [1985] F.S.R p. 525.

¹⁶⁵ See Pearson, Miller, *op. cit.*, p.101.

¹⁶⁶ See Cornish, W.R, Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights, 4th edition, (Sweet & Maxwell, 1999), p.392.

¹⁶⁷ See Bainbridge, *op. cit.*, p.48.

tool in the hands of a real human author, a distinction has been drawn between 'computer-generated' and 'computer-aided' works.

1.9.5 Copyright – Periods of protection

The general rule is set out by section 12(1) of the Act, which states that copyright in a literary, dramatic, musical or artistic work expires at the end of the period of 70 years from the end of the calendar year in which the author dies.

With regard to works of unknown authorship, copyright expires 70 years after the work is made, or if during that period the work is made available to the public, at the end of the period of 70 years from the end of the calendar year in which it is first made available.¹⁶⁸ However, if the author does become known after the copyright has expired, then the copyright does not revive, even if the author is still alive or died less than 70 years previously. The meaning of the words 'made available to the public' in literary, dramatic or musical works is the performance in public or being broadcast or included in a cable programme service. In relation to the artistic work, it refers to exhibition in public, and for film, it includes the work being shown in public or being included in a broadcast or cable programme service.

It should be noted that computer-generated works attract a straight period of 50 years from being made, since there is no human life in relation to which a copyright term can be measured.¹⁶⁹

1.9.6 Moral rights of an author

Moral rights seek at least to protect the integrity of a work and the author's connection with it. Section 2(2) of the CDPA 1988 conferred moral rights in favour of the author, director or commissioner of the work, whether or not he is the owner of the copyright. The Act defines the moral rights as:

¹⁶⁸ See section 12(3) CDPA 1988.

¹⁶⁹ See section 12(7) CDPA 1988.

- “1) the right to be identified as author or film director (the right of paternity)
- 2) the right to object to derogatory treatment of a work (the right of integrity)
- 3) the right to privacy in private photographs and films.”

The authors of literary, dramatic, musical and artistic works, and also directors of films, have the right to be identified as author, and so to enjoy copyright.¹⁷⁰ A pre-condition of the right being asserted is that of being identified. In general, this may be done as a statement in an instrument assigning copyright in the work or by any other instrument in writing signed by the author or director during the life of the right. Thus an assertion has in principle only to be made in the required form to any exploiter of the work for it to impose on him the obligation to identify the author or director; but delay in making the assertion is to be taken into account in determining whether an injunction must be granted, and it seems, in settling damages and other relief. In contradiction with truly protective regimes of moral rights, it is possible for the person who would otherwise enjoy any of the four rights to surrender it in advance of the time when an issue actually arises, for instance when a publisher's decides to exclude an author's name from a pending publication. The waiver may be by instrument in writing, signed by the person giving up the right, and it may relate not only to a specific work in existence, but to a class of works or even works in general, and to future works.

1.9.7 Exclusive rights and infringement

Section 2(1) provides the owner of the copyright in a work ‘an exclusive right to the acts.’ These acts are specifically stated in section 16 as being: “to copy the work; to issue copies of the work to the public; to perform, show or play the work in public; to broadcast the work or include it in a cable programme service and to make an adaptation of the work or to do any of the above in relation to an adaptation.”

The Act confers on the copyright owner the right to stop others from infringing his copyright. Section 16(2) provides that an infringing act is committed if a person does any of the acts restricted by the copyright without a licence from the copyright owner or authorises some other person to do such acts. Even though the above section sets out all the restricted acts, not all of the restricted acts are applicable to every category of work.

¹⁷⁰ See section 77(1) CDPA 1988.

Therefore, it is important to refer to the specific sections dealing with that restricted act, for instance, the sections dealing with copying,¹⁷¹ issuing copies of the work to the public,¹⁷² performance,¹⁷³ broadcasting and the inclusion of works in cable programmes¹⁷⁴ and adaptation of works.¹⁷⁵ References to the doing of restricted acts are to the doing of them in relation to the works as a whole or any substantial part of it.¹⁷⁶

The leading case is Ravenscroft v Herbert,¹⁷⁷ the essence of the decision on the meaning of this expression is that quality, as much as quantity, is important in determining what is considered as a substantial part.

Infringement of copyright occurs when an 'act restricted by copyright in a work' is carried out without the copyright owner's permission. When issues of infringement arise, the court has to decide whether or not a particular use of a work falls within the statutory definition of the restricted acts.¹⁷⁸

Section 17(2) deals with copying in relation to literary, dramatic, musical and artistic works. It means 'reproducing the work in any material form' and includes storing the work in any medium by electronic means. 'Electronic' means actuated by electric, magnetic, electro-magnetic, electro-chemical or electro-mechanical energy, and 'in electronic form' means in a form useable only by electronic means.¹⁷⁹ Section 18 deals with the restricted act of issuing copies to the public and it applies to every description of work. Issuance to the public of copies of a work refers to the first act of putting the copies into circulation and not to any subsequent distribution, or hire, or loan of those particular copies. Section 19 refers to the restricted act of performance of a work in public and applies to literary, dramatic or musical works only. Performance includes delivery of lectures, addresses, speeches and sermons. Section 20 deals with restricted acts of broadcasting or the inclusion of a work in a cable programme service. This applies to all categories of work other than typographical arrangement of published editions. Section 21 deals with the restricted act of making adaptations of works. It

¹⁷¹ See section 17(1) CDPA 1988.

¹⁷² See section 18 CDPA 1988.

¹⁷³ See section 19 CDPA 1988.

¹⁷⁴ See section 20 CDPA 1988.

¹⁷⁵ See section 21 CDPA 1988.

¹⁷⁶ See section 16(3)(a) CDPA 1988.

¹⁷⁷ [1980] RPC 193.

¹⁷⁸ See Griffiths, Jonathan, 'Holding back the tide- a review of recent developments in copyright law in the United Kingdom', International Review of computers & Technology, Vol. 13, no.3, 1999, p.286.

¹⁷⁹ See section 178 CDPA 1988.

applies to literary, dramatic or musical works. Adaptation is made when it is recorded in writing or otherwise.

1.9.8 Fair Dealing

Chapter III of Part 1 of the Act specifies the acts which may be done in relation to copyright works. However, not every infringement of copyright entitles a copyright owner to a legal remedy. In certain circumstances, the user of a copyright work may be entitled to rely upon a defence. It has a role in ensuring that the balance between the interests of copyright owners and the public interest is correctly struck. The first exception is fair dealing. Fair dealing with literary, dramatic, musical or artistic work for the purposes of research or private study does not infringe any copyright in the work.¹⁸⁰ However, the expression 'fair dealing' is not defined in the Act. As mentioned in section 16(3), the doing of an act restricted by the copyright of a work without an appropriate licence, constitutes an infringement in relation only to the whole or a substantial part of the work.

Thus fair dealing extends to the doing of an act in relation to a part of a work which may be a substantial part. These acts are permitted only for the purposes of research, private study, criticism, review and news reporting.¹⁸¹ In order to justify that a certain act is a fair dealing, the usage must be compatible with fair practice, or with a use that is not so substantial that it extends beyond that which is justified for the purpose. Another point to consider is whether the usage interferes with normal exploitation of the work-in which event it would not constitute fair dealing. It would be impossible to devise a general formula which would be appropriate in all cases and fair to both copyright owners and users.¹⁸²

In the case of Pro Sieben Media A.G v Carlton UK Television Ltd., the claimant, a German television company, produced a program incorporating an interview with Mandy Allwood who was pregnant with eight live embryos. It had paid Ms Allwood a substantial sum for the interview. The defendants broadcast a programme entitled

¹⁸⁰ See Section 29(1) CDPA 1988.

¹⁸¹ See section 30(1) CDPA 1988.

¹⁸² See Flint, Michael F, Thorne, Clive, D.Williams, Alan P, Intellectual Property The New Law a Guide to The Copyright, Designs and Patents Act 1988, (London: Butterworths, 1989), p.43-44.

‘selling babies’ that aimed to expose the activities of the public relations industry in selling the stories of ordinary people involved in newsworthy stories. It featured a clip from the claimant’s interview with Ms Allwood. The claimant sued for infringement of copyright in the film and broadcast of the interview. The defendant relied upon the defences of fair dealing for the purpose of review or criticism and fair dealing for the purpose of reporting current events.

At first instance, Laddie J rejected the defendant’s arguments because its programme had not, in his opinion, been produced for the purposes of ‘criticism or review’ or ‘reporting current events’ and because the defendant had not provided the ‘sufficient acknowledgement’ required by s. 30(1). Robert Walker LJ, reversed this decision. Importantly, he found that the phrase ‘for the purpose of’ in both subsection of section 30 was to be construed objectively and, thus, that the subjective intention of those making the defendant’s programme were irrelevant in construing this element of the defence. He considered that the defendant’s programme had been made for the purpose of criticising and reviewing the genre of programmes to which the claimant’s programme belonged (‘chequebook journalism’).

He also found that the press interest in Mandy Allwood’s situation and the purchase of interviews constituted a ‘current event’. Thus the defendant was entitled to succeed under both section 30(1) and section 30(2) as long as the programme constituted ‘fair dealing’ and if, in the case of section 30(1), ‘sufficient acknowledgement’ had been given. Ultimately he concluded that the defendant’s use of the extract was ‘fair’ because it was not disproportionately long and because the defendant was not really in competition with the claimant. Also, although the only acknowledgement of the claimant’s authorship was a barely visible logo meaning nothing to the vast majority of viewers, Robert Walker LJ considered that ‘sufficient acknowledgement’ had been given. The judgement is significant because it clarifies the interpretation of the phrase ‘for the purpose of’ in section 30.

The principles of the fair dealing defence and its development will be discussed in detail in the second chapter of this thesis.

1.10 Conclusion

In general, the Malaysian Legal System has been shaped by various vital events since the fifteenth century. Although in the earlier stage, the laws that were widely accepted in the region were Muslim law and Customary law (Adat), the legal system changed dramatically during the British Occupation in Malaya. Historically, Malaysian Copyright Law has a close relationship with UK law since the English Common Law system was introduced through the reception of English law in Penang. Since then, the common law and various legislation, including the UK Copyright Act, were applied in Malaysia. The legislative system that Malaysia has today is based on the common law system inherited from the UK. Therefore, the Malaysian legislative system for Intellectual Property is also based on common law, and Malaysia has enacted several statutes since then, based on English law.

In fact, even after Malaysia obtained independence from the UK in 1957, the Copyright Act in force at that time was the UK Copyright Act of 1911. In order to consolidate all the previous copyright laws in Malaya, the Copyright Act of 1969 was enacted. Nevertheless there were a few weaknesses in the Copyright Act of 1969, and also the enforcement of the Act was not taken seriously at that time. The situation was different in the 1980s, when the government was urged on both a national and international level to upgrade the protection of copyright in Malaysia. The United States had used its power to exercise sanctions on the countries that have conferred the least copyright protection. The other pressures came from the international organisation, World Intellectual Property Organisation (WIPO), which required Malaysia to conform to the International Copyright protection. Malaysia acknowledged the need for these changes and has acted accordingly by replacing the Copyright Act of 1969 with the new Copyright Act of 1987.

Even though the present Malaysian Copyright Act was based on the Nigerian Copyright Bill, and also the protocol of the Berne Convention, in practice, Malaysian Courts still refer to the English statutes and cases as precedents. The United Kingdom, on the other hand, had an entirely different historical approach to the development of copyright law, which came into existence in the UK after the invention of printing. Although there are a few differences between Malaysia and the United Kingdom both countries are subject to international bodies such as the Berne Convention. Therefore this Convention has

had a great influence over the development of UK and Malaysian Copyright law, and both countries have amended their Acts in order to conform to the requirement of the Convention.

Most of the principles and concepts of copyright law in Malaysia are similar to UK copyright law. These can be seen clearly from the provisions of the Copyright Act itself. However, there are a few differences between the provisions in the Malaysian and the United Kingdom Copyright Acts. For example, under the UK Copyright Act of 1988, 'literary works' and 'dramatic works' are separately defined, but there is no separate category of 'dramatic works' under the Malaysian Act.

As regards the duration of copyright, depending on the type of copyright work, in Malaysia, it is the life of the author plus 50 years or 50 years after the publication or the making of the work. Whereas in the UK, the duration of copyright is longer than in Malaysia and copyright in literary, musical or artistic works expires at the end of a period of 70 years from the end of the calendar year in which the author dies.

Under the Malaysian Copyright Act there is a specific definition of 'computer program' but there is no such definition in the Copyright, Designs and Patent Act of 1988. The definition of computer program was only added to the list of copyright works under the Copyright Act of 1987. This definition and other computer-related provision were closely modelled on the Australian Copyright Amendment Act of 1984.

Internet Challenge to Copyright Law

2.1 Introduction

In this chapter the exclusive rights granted to the owner of copyright under UK and Malaysian Copyright laws will be examined.

In the digital era, copyrighted material has become increasingly digitised and tensions naturally arise between those who are controlling the material and the users of the copyrighted material. It cannot be denied that digital technology provides benefits in disseminating copyrighted material, but there are also disadvantages. One of the problems is that the digitised material may be easily reproduced or manipulated and also easily disseminated by the user, which will damage the copyright owner's market. It should be noted that any effort made in enhancing copyright protection might however affect the right of users to access the information. Therefore, a dilemma arises, by which the stronger the exclusive rights of the copyright owner, the weaker the user's rights to free access of material in a digital form.¹ At present, where there is rapid technological change, it may be difficult for legislatures to foresee what new technologies will arise, how they will be used, and what copyright rules ought to apply.² Therefore this chapter will attempt to analyse the aspects of the copyright principles that are closely affected by the changes in technology. In order to do that, these copyright principles must be examined in great length so that the challenges of technology to these principles can be identified.

2.2 Copyright Principles

There are a few copyright principles that are closely affected by technological challenges that will be discussed in this chapter, such as the exclusive rights of the

¹ See http://elj.warwick.ac.uk/jilt/copyright/97_1brud/brudenal.htm.

² See http://bob.nap.edu/html/digital_dilemma/ch4.htm.

copyright owner in both Malaysian and UK legislation. As mentioned in the first chapter there are several exclusive rights granted to the copyright owner to do some acts listed under Section 16 (1) of the CDPA 1988, and others are infringed from doing these acts without his consent. However in this chapter only two of these exclusive rights, namely the right to copy the work and to communicate the work to the public, will be discussed because they are relevant to the selected legal issues on the internet (accessing web pages, linking, framing and caching) that will be examined in detail in the next chapter.

Since the US is the leader in the development of the law regarding the internet, the doctrine of fair use under the US Copyright Act, which is equivalent to fair dealing in UK will, also be discussed. The doctrine of fair use has always been used by the defendant as a defence in cases concerning copyright, and internet issues will also be examined. Since doctrine of fair use is equivalent to fair dealing under UK CDPA 1988, it will also be discussed in this chapter.

One of the permitted act under the Act is that of fair dealing and this will also be discussed since fair dealing is always used by the defendant in cases of copyright infringement.

2.3 Exclusive rights of the copyright owner under UK CDPA 1988

It is important to stress that the fundamental perspective that underlies copyright, namely the concept of copying as a legal foundation and conceptual notion, has been accepted. The law has come to recognise the right to control the reproduction of works of authorship as something that is central to the law. Basically, the control of copying has been a key means of providing incentive to the authors and publishers to have total control over the use of their work. In some ways, it provides authors and publishers, who wish to profit from their work with, the means to require payment for its use. It also offers other valuable incentives to those who wish to see their work being published and distributed, even though they are not looking for any economic reward from it. However, at present, digital technology poses a problem in this respect by tremendously increasing the ability of people to copy, produce and distribute

information. As a result, the information that is in digital format can be copied without loss of quality and can be easily disseminated by digital networks.³

2.4 Exclusive right to copy a work:

As mentioned above the exclusive right to copy a work is relevant to the selected legal issues on the internet which will be discussed in the next chapter. Even though section 16(1) of the CDPA⁴ listed other exclusive rights, such as the right to issue copies of the work to the public, to rent or lend the work to the public and to perform, show or play the work in public, these rights will not be discussed in this chapter.

The copyright owner's exclusive right to copy a work becomes vulnerable in the digital environment because the works that have been placed on the internet can be copied easily without the knowledge of the owner. It is the exclusive right given only to the owner to do those acts and it is considered as a restricted act which make anyone who is doing the acts without his permission, guilty of infringing the copyright. The Copyright Act specifies that the copying of the work is an act restricted by the copyright.⁵ The act of 'copying' under copyright law is defined as copying the form or appearance of a copyrighted work. The concept of copying under copyright law is narrower than 'copying' in everyday speech. It must be noted however that it can still be considered as copying, even if only part of the copyright work is copied.

Copying is said to have occurred if a substantial part of a copyright work is copied. With respect to 'a substantial part', it is a question of both quality and amount.⁶ Similarly, the copying must be of the expression of the ideas, rather than the ideas themselves. However, that is a distinction with an ill-defined boundary.

Judge Learned Hand pointed out that;

³ See http://bob.nap.edu/html/digital_dilemma/ch4.htm.

⁴ Section 16(1) provides that the owner of the Copyright in a work has the exclusive right to do the following acts: (a) to copy the work (b) to issue copies of the work to the public (ba) to rent or lend the work to the public (c) to perform, show or play the work in public (d) to broadcast the work or include it in a cable programme service (e) to make an adaptation of the work or do any of the above in relation to an adaptation.

⁵ See section 17(1) CDPA 1988 states that the copying of the work is an act restricted by the copyright in every description of copyright work.

⁶ See Pearson, Hilary, Miller, Clifford, Commercial Exploitation of Intellectual Property, (London: Blackstone Press Limited, 1990), pp.125-126.

“Upon any work ... a great number of patterns of increasing generality will fit equally well, as more and more incident is left out. The last may perhaps be no more than the most general statement of what the work is about, and may at times consist only of its title; but there is a point in this series of abstractions where they are no longer protected, since otherwise the author could prevent the use of his ‘ideas’, to which, apart from their expression, his property never extended...Nobody has ever been able to fix that boundary, and nobody ever can.”⁷

As regards literary, dramatic, musical and artistic work, copying means ‘reproducing the work in any material form’. This covers the ‘storing the work in any medium by electronic means’.⁸ The term ‘electronic’ has been defined under Section 178 in a very broad way. Infringement of copyright by copying includes the making of copies which are transient or are incidental to some other use of the work.⁹ Therefore storage even in a volatile computer memory may infringe the copyright law. There are a few legal issues arises out of the act of making transient copies and this will be dealt with in the next chapter

The CDPA 1988 was amended by the Copyright and Related Rights Regulations of 2003¹⁰ implemented the European Union Directive on Information Society. A provision on transient copies has been inserted under section 28A of the Regulations. That section provides that

“28A Making of temporary copies

Copyright in a literary work, other than a computer program or database, or in a dramatic, musical or artistic work, the typographical arrangement of a published edition, a sound recording or a film, is not infringed by the making of a temporary copy which is transient or incidental, which is an integral and essential part of the technological process and the sole purpose of which is to enable

(a) a transmission of the work in a network between third parties by an intermediary; or

(b) lawful use of work;

and which has no independent economic significance.”

A few conditions have to be satisfied before the exception of the temporary act of reproduction can be applied; firstly it must be an integral and essential part of the

⁷ See W.R Cornish, Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights, (London: Sweet & Maxwell, 1999), pp. 416-417.

⁸ See Section 17(2) CDPA 1988.

⁹ See Section 17(6) CDPA 1988

¹⁰ Statutory Instrument 2003 No. 2498.

technological process. Secondly, the sole purpose must be to enable a transmission of the work in a network between third parties by an intermediary or lawful use and lastly it has no independent economic significance.

The relevant provisions regarding this matter will be discussed further in chapter 4.

2.5 Exclusive right of copyright owner under Malaysian Copyright Act 1987:

The Act was silent on the definition of ‘reproduction’ relating to artistic work before the Copyright (Amendment) Act of 1996. The word ‘reproduction’ has been defined as “the making of one or more copies of work in any form or version, and in relation to an artistic work includes the making of a copy in three dimensions of a two-dimensional work and the making of a copy in two dimensions of a three-dimensional work and reproducing shall be construed accordingly.”¹¹ Whereas the word ‘material form’ under section 3 means any visible or non-visible form of storage from which the work may be reproduced. Section 3 of the Act also defines ‘copy’ as a reproduction of a work in written form, in the form of a recording or film, or in any other material form. Therefore the reproduction right is not merely a right to control the making of duplicate copies, but also covers the making of copies in a medium which is different from that of the original. The reproduction right restricts the making of a three-dimensional object or article from a two-dimensional work such as a drawing or sketch, even though the Copyright Act is silent on this aspect.

In the case of Peko Wallsend Operations Ltd. v Linatex Process Rubber Bhd.¹² Siti Norma J expressed the view that:

‘Since the Act makes direct copying an infringement, it is only right and proper that indirect copying is also an infringement, as to conclude otherwise would go against the intention of the legislature in enacting the Act as it did.’

The plaintiffs in this case, who are Australian-based companies brought an action against the defendant, a company incorporated in Malaysia, for the enforcement of copyright in certain artistic works relating to pumps known as ‘slurry pumps’ which are designed, manufactured and distributed by the plaintiffs worldwide. The plaintiffs alleged that the defendant were reproducing slurry pump parts which were copies of the plaintiffs’ slurry pumps parts and engineering drawings of the same, with the intention to distribute their products by sale to the public. In the other action, the plaintiffs alleged

¹¹ See Section 3, Copyright Act 1987.

¹² [1993] 1 MLJ 225.

that the defendants were reproducing certain moulds identical to the moulds used by the plaintiffs to make the slurry pump parts. The plaintiffs contended that they had not given their consent or licence to the defendant to copy, reproduce or manufacture any slurry pump parts, or any attempt by the defendant to indirectly copy, reproduce or manufacture any slurry pump parts, or mould them by a process known as 'reverse engineering', as this was an infringement of the plaintiffs' copyright to such parts and moulds and the three-dimensional form of the plaintiffs' slurry pump parts and moulds. The defendant pleaded that they were not copying any of the plaintiffs' engineering drawings to reproduce the pump parts and moulds, and that reproducing such pump parts and moulds by way of reverse engineering does not amount to an infringement of either the plaintiffs' copyright to the engineering drawings relating to the pump parts, and moulds or the three-dimensional form of the plaintiffs' slurry pump parts and moulds.

The court held that applying the provisions of Sections 3, 13 and 32 of the Act to the facts of the instant case, the plaintiffs as the copyright owners of the engineering drawings are entitled to enforce their rights under section 37 of the Act when the defendant infringed the copyright to the engineering drawings and any three-dimensional work by reproducing identical slurry pump parts and moulds by way of reverse engineering. The Copyright (Application To Other Countries) Regulations of 1990 ("the Regulation") accords copyright protection to works that originate in countries which are members of the Berne Convention. Both Australia, the home of the plaintiffs and Malaysia are members of the Berne Convention. The provisions of the Act have through the Regulation been extended to Australia as well and by virtue of this, any specific work which originates in Australia which is eligible for copyright if such work had originated in Malaysia, would enjoy copyright protection even though the local laws of Australia do not accord such protection in such works. It follows that works from a specified country which do not enjoy copyright protection in their country of origin, nonetheless is vested with such protection under the Act.

Therefore, the combined effect of the definitions of 'copy' and 'reproduction' and the words 'any form or version' in the definition of 'reproduction' further reinforces the view that infringement is not restricted to direct copying.¹³ Copyright law confers the right to the copyright owner to stop others from infringing his copyright, for instance by

¹³ See Khaw, *op. cit.*, p. 93.

making copies of his works without his consent. Traditionally, once the copyrighted work is published, the copyright holder cannot control access to the copies distributed. The reader can gain access to the information in the copyrighted works through social institutions, for instance libraries and bookstores, and also from individuals. In the digital world, however, the act of 'copying' is bound up with the way computers work. In order to get access to information, a computer necessitates reproduction. Therefore, the right to control reproduction becomes the right to control access. Obviously, authors would not routinely deny access to their published digital works. Because access requires reproduction, control of reproduction provides control of access to individual published copies, a right not conceived as part of copyright, and hence not to be embraced lightly, whether or not it is routinely exercised.¹⁴

The internet poses a challenge to an author's right to 'copy' because the entire technical basis of the internet including the World Wide Web, works through the passing of information between computers in a form of copies. Thus the question to be considered is which, if any, works are copied when one website links to another?¹⁵ Another point to consider is that a simple act on the internet such as browsing may be a challenge to copyright law. This is because browsing a document on the internet involves several acts such as the creation of copies, distribution and transmission. The mere act of browsing might infringe a few exclusive rights of the copyright owners. The legal issue on browsing will be discussed in the next chapter. When using the works on the internet, the acts of downloading or uploading and transmission may also infringe the reproduction and distribution right.

The question of reproduction was raised in the case of Shetland Times v Shetland News.¹⁶ The case was concerned solely with the headlines to stories on the Shetland Times website. These were reproduced by the Shetland News, presumably by accessing the web page containing the story, bookmarking that page and then copying the bookmark from the browser software's bookmark.htm file to a Shetland News web page. It must be noted that the Shetland News did not copy the entire web page of the Shetland Times' web pages. The reason given by the judge for granting the interim

¹⁴ See Burk, Dan L, 'Copyrightable Functions and Patentable Speech', February 2001, Communication of the ACM, vol. 44, no. 2, p. 82.

¹⁵ See <http://www.law.indiana.edu/glsj/vol6/no1/reed.html>.

¹⁶ [1997] S.L.T 669.

injunction was that there was a prima facie case that these web links infringed copyright and the balance of convenience favoured granting the interdict trial.

One of the potential copyright infringements is the headlines which might themselves be literary works, in which a copyright subsists by virtue of section 1(1)(a) of the CDPA of 1988. If so, those works had been copied, an infringement by virtue of section 17 (1) and (2).¹⁷ Mere recording of a writing is not enough to constitute a literary work. Even if considerable effort, skill and labour is involved in selecting a particular word, for instance, the word 'Exxon'¹⁸, copyright law will not protect its use as a literary work. The question here is what creative effort was involved in a selection of headlines.

Another recent case is Sony Music Entertainment (UK) Limited and Others v Easyinternetcafe Limited,¹⁹ where an application was brought by the claimants, as owners of the copyright in sound recordings, for a declaration that a CD burning service offered by the defendants in their eight internet cafes was unlawful if it was provided in circumstances in which the owners of the copyright in the relevant sound recordings had not licensed the defendants to copy its work onto a CD. The claimants in this case contended that the downloading of sound recordings from the internet without consent of the owners of the copyright in sound recordings was contrary to Section 17(1) and 18(1) of the CDPA of 1988. The court held that there was no evidence to contradict the obvious conclusion that the material was downloaded from the internet. The liability for copyright infringement under the CDPA of 1988 Sections 17 and 18 was strict and did not depend upon the state of knowledge of the infringer. In any event, the fact that the defendant chose to keep the files of an individual customer confidential was a voluntary act on its part.

2.6 The Right to Communicate the Work to the Public Under the CDPA of 1988:

Under Section 16(d) of the CDPA 1988 prior to the implementation of the EU Directive, the copyright owner had an exclusive right to broadcast the work or include it

¹⁷ *Ibid.*, p.2.

¹⁸ Exxon Corporation v Exxon Insurance Consultants International Ltd [1982] R.P.C 69 In that case, the plaintiff asserted copyright of the invented word "Exxon", and was able to demonstrate that substantial effort and money had been expended in inventing the word. Nonetheless, the court held that it did not constitute a work, and was thus not protected by copyright. Secondly, a work must afford sufficient information, instruction or literary enjoyment to the reader. It was on this ground that copyright protection was denied in the Exxon case.

¹⁹ 2003 E.C.D.R 27.

in a cable programme service. The CDPA was amended in order to conform to Article 3 of the Information Society Directive and in Section 16(d) the words “to communicate the work to the public” has been substituted into it. Therefore under the new amendment Act, the exclusive right of copyright owner becomes wider and includes the right to control the ‘communication to the public’ of their work by electronic transmissions. This right to communicate to the public, applies to broadcasting as well as “the making available to the public of the work by electronic transmission in such a way that members of the public may access it from a place and at a time individually chosen by them” (for instance the content could be delivered by a transmission system over internet).²⁰

The previous section 20 of the CDPA provides that the broadcasting or inclusion in a cable programme service is an act restricted by copyright in literary, dramatic, musical or artistic, sound recording or film and also a broadcast or cable program. Copyright in a work may be infringed in two ways that is by broadcasting it or including it in cable program service. However under the recent Amendment Act section 20 has been substituted with the infringement by communication to the public. Section 20 provides that the communication to the public of the work is an act restricted by the copyright in literary, dramatic, musical or artistic work, sound recording or a broadcast. Communication to the public are “by electronic transmission and include the broadcasting of the work, the making available to the public of the work, the making available to the public of the work by electronic transmission in such a way that members of the public may access it from a place and at a time individually chosen by them”²¹

2.7 Communication to the Public under the Malaysian Copyright Act of 1987

Section 3 of the Copyright Act of 1987 defined ‘communication to the public’ as ‘the transmission of the work through wire or wireless means to the public, including the making available of a work to the public in such a way that members of the public may

²⁰ See Hart, Micheal, Holmes, Steve, ‘The Implementation of the Copyright Directive in the UK’, 2004 EIPR, 254.

²¹ See Section 20(2) of the CDPA Amendment Act.

access the work from a place and at a time individually chosen by them'. The Copyright (Amendment) Act of 1997 introduced this new right and it subsumed two other rights that are broadcasting and communication by cable rights. The new communication to the public right, enable the copyright owner to monitor the transmission of works, other than by way of traditional radio and television broadcasts or cable. Through this right the copyright owner can control the transmission of works through the internet and works on demand for instance; video or sound recordings.

There is a distinction between the communication right and broadcast as a copyright works although under the amendment act, the communication right subsumed the former broadcasting right. Before the amendment there is no difference between the broadcasting right as a restricted act and broadcast as a copyright work.

Under the amendment, broadcast has been defined as a transmission, by wire or wireless means of visual images, sounds and other information which is capable of being lawfully received by members of the public or is transmitted for the presentation of the public. This new amendment is similar to the one under the UK CDPA 1988. This new definition is broader than the old one because the transmission is not only restricted to sounds and images alone but information too. The other reason is that if the transmission can be received by members of the public, it is considered as sufficient and need not be for reception by the general public.

Another exclusive right to the copyright owner is the issue copies to the public. It is also known as distribution right. The words 'issue to the public' include the initial act of handing the copies into circulation. It can be said that publication is some kind of 'issue of copies to the public'. The term is extended to making available through electronic retrieval systems literary, dramatic or artistic works.

2.8 Fair Dealing:

Fair dealing has always been used as a defence in cases of copyright infringement. However unlike, fair use doctrine, only certain dealing for specific purposes stated by the CDPA will not be considered as an infringement.

The original and primary purpose of the copyright law is to encourage and reward authors, composers and artists who create original works. The law protects the

economic interest of authors by giving them the right to exploit their works and to control their unauthorised use.

It should be noted that copyright is not just a law for the protection of creators and copyright owners. Copyright is designed to encourage the creation and production of new works and to serve the public interest by disseminating ideas and information. In the words of Justice Connor;

“the primary objective of copyright is not to reward the labour of the authors; it is to promote the progress of science and the useful Arts. To this end, copyright assures authors the right to their original expression, but encourages others to build freely upon the ideas and information conveyed by the work. This result is neither unfair nor unfortunate....It is the means by which copyright advances the progress of science and art.”²²

As mentioned above, without users' rights to free access of information, there would be barriers erected around information-based products, placing greater restrictions on the communication of ideas, and subjecting them to the copyright owner's terms. Perhaps the most fundamental right available to users of the Copyright Act is fair dealing which is an element of certain permitted acts under the CDPA. Through fair dealing, copyright material can be copied for certain purposes without permission if the dealing with that material is 'fair'.²³ Fair dealing is very important in copyright law and it ensures a balance between the interest of a copyright owner in securing a just protection of creative work, and the public interest in ensuring that intellectual property does not impede the flow of ideas and information.

Fair dealing became a statutory defence when the Copyright Act of 1911 was enacted. The statutory provision on 'fair dealing' was first introduced by a proviso to section 2 of the Copyright Act of 1911 which stated that any person who does any act without the consent of the copyright owner, only the owner of the copyright has the right to do so under the Act, is said to have infringed copyright in a work. Provided it relates to any fair dealing with any work for the purposes of private study, research, criticism, review or newspaper summary. However the following acts will not constitute an infringement of copyright; for instance any fair dealing with any work for the purposes of private study, research, criticism, review or newspaper summary.

²² See Mason, Anthony, 'Developments in the Law of Copyright and Public Access to Information', 1997, 11 EIPR 637.

²³ See http://elj.warwick.ac.uk/jilt/copyright/97_1brud/brudenal.htm.

Over the years, it became apparent that this fair dealing defence required amendment because of the scope of the section was limited. Based on the recommendation of the Gregory Committee, changes to the fair dealing provision were implemented in the Copyright Act of 1956. The relevant provisions relating to literary, dramatic and musical works were laid down in section 6 of the Act.²⁴

These provisions took account of technological developments by extending the defence to those reporting current events by means of broadcast or film. A requirement to give 'sufficient acknowledgement' in most situations was also introduced. Fair dealing was permitted for the purposes, not only of criticism or review of the work reproduced, but also of criticism or review 'of another work'.

Subsequently the Copyright Act of 1956 was replaced by the 1988 Act, which still governs the United Kingdom copyright law.²⁵

2.8.1 The Principle of Fair Dealing:

Under the CDPA 1988, a defendant must establish not only that his dealing with a particular work is 'fair',²⁶ but also that it falls within the definition of permitted purposes. The CDPA permits certain dealings with works which are done for the purposes of research and private study, criticism or review and reporting current events.²⁷ The European Union through the Information Society Directive made a few changes to this statutory defence. As a Member States of the European Union, UK has adopted the Information Society Directive and had amended the CDPA 1988 by the

²⁴ "(2) No fair dealing with a literary, dramatic or musical work shall constitute an infringement of the copyright in the work if it is for the purposes of criticism or review, whether of that work or of another work, and is accompanied by a sufficient acknowledgement.

(3) No fair dealing with a literary, dramatic or musical work shall constitute an infringement of the copyright in a work if it is for the purpose of reporting current events-

(a) in a newspaper, magazine or similar periodical or

(b) by means of broadcasting, or in a cinematograph film,

and in a case falling within paragraph (a) of this subsection, is accompanied by a sufficient acknowledgement..."²⁴

²⁵ Many anomalies which became apparent in the 1956 Act were addressed in the Copyright, Designs and Patents Act of 1988. Section 30 applies to fair dealing defence to all forms of copyright work. It also extended the ambit of the defence to cover fair dealing with a copyrighted work for the purposes of criticism and review of performance of copyrighted works.

²⁶ The term 'fair dealing' is not defined in the Act.

²⁷ See section 29 and 30 of CDPA 1988.

Copyright and Related Right Regulations of 2003.²⁸ The new amendments to the sections on fair dealing will be discussed later in the chapter.

Since there is no definition of ‘fair’ or ‘dealing’, courts have been given wide discretion to examine all facts and circumstances. Whether a defendant’s dealing with a work falls into one of the five categories of purposes (private study, research, criticism, review or newspaper summary), and whether it was ‘fair’, is left to the judicial interpretation of the facts of each case. By taking this approach, the legislator has avoided the difficult task of having to arrive at a definition which would likely be either too rigid to apply to the multitude of scenarios which are bound to arise, or too accommodating to be effective. The courts are given the freedom to tailor their decisions to the facts which are placed before them, without having to work their way around an impractical definition. It is impossible to lay down any hard-and-fast definition of what is fair dealing and it is a matter of fact, degree and impression.

2.8.2 Fairness:

Since there is no definition of what is ‘fairness’ in the Act, this particular point was discussed by judges in many cases. The leading case on fairness in this context is the case of Hubbard v Vosper,²⁹ where Lord Denning M.R laid down the factors to be considered in evaluating fair dealing:

“It is impossible to define what is ‘fair dealing’. It must be a question of degree. You must consider first the number and extent of the quotations and extracts. Are they altogether too many and too long to be fair? Then you must consider the use made of them. If they are used as a basis for comment, criticism or review, that may be fair dealing. If they are used to convey the same information as the author, for a rival purpose, that may be unfair. Next, you must consider the proportions. To take long extracts and attach short comments may be unfair. But, short extracts and long comments may be fair. Other considerations may come to mind also. But, after all is said and done, it must be a matter of impression. As fair comment in the law of libel, so with fair dealing in the law of copyright. The tribunal of fact must decide.”

From the quotation, when evaluating fair dealing, one has to consider the extent of the quotation; whether it is too long to be fair. Secondly, the use of the extract; if it is used for the basis of comment, criticism or review it may be fair. Lastly, the proportion of the extract; if it is a short extract and a long comment is attached to it, then it may be fair.

²⁸ Statutory Instrument 2003 No. 2498.

²⁹ [1972] 2 Q.B. 94.

In the above case, the defendant was the author and the second defendant were publishers of a book which was very critical of the cult of scientology. The defendant had been a member of the plaintiff's church of scientology for fourteen years. He had left after being declared 'in a condition of enemy'. The defendant used in his book, with acknowledgement, a substantial extract from books about scientology by the plaintiff. The plaintiff had invented the word scientology. The defendant also used the plaintiff's bulletins and letters, which were given to those who took courses in scientology. Some of these materials were considered to be confidential. The plaintiff claimed an injunction for breach of copyright, and the defendant relied upon the fair dealing defence. Kilner Brown J came to the conclusion that the plaintiff had made a *prima facie* case and ordered the interlocutory injunction. On appeal by the defendant the court held that although the plaintiff's books, bulletin and letters were the subject of copyright, and the parts taken were substantial, the treatment of them was for the purposes of criticising the underlying subject matter, and so could amount to fair dealing under section 6 (2) of the Copyright Act of 1956.

Another point is that fairness is to be judged in the context of the purpose for which the dealing has been employed. In the case of Beloff v Pressdram³⁰, a memorandum written by the plaintiff was leaked to and published by the magazine *Private Eye*. The claim for copyright infringement failed because the plaintiff was held not to own the copyright in the memorandum. The court rejected *Private Eye*'s claim that their activities in publishing the leaked memorandum fell within the fair dealing defence. This is because the magazine had obtained the copyright work illicitly, it could not claim to be engaged in fair dealing. Ungood-Thomas J said;

"The relevant fair dealing is thus, fair dealing with the memorandum for the approved purposes. It is fair dealing directed to and consequently limited to and to be judged in relation to the approved purposes. It is dealing which is fair for the approved purposes and not dealing which might be fair for some other purpose or fair in general..."

The quotation merely emphasises that fair dealing exception is only available for 'fair dealing' for the particular purposes set out in the statute and not for the use of work which is 'fair' in a more general sense.

³⁰ [1973] 1 All ER 241.

2.8.3 Substantial part:

The other factor that has to be considered is whether an extract taken from the copyrighted works form a substantial part of the work itself. Under section 17(2), copying in relation to literary works means reproducing the work in any material form. For instance, a book can be reproduced through photocopying or through sound recording. In the case where an extract is taken from the protected work, it is said to have infringed copyright if it constitutes a substantial part of the work itself. The crucial question that arises is to identify the exact amount of work that constitutes a 'substantial part'.

Megaw L.J in the case of Hubbard V Vosper³¹ discussed the question of substantiality:

“To my mind this question of substantiality is a question of degree. It may well be that it does not prevent the quotation of a work from being within the fair dealing subsection even though the quotation may be of every single word of the work. Let me give an example. Suppose that there is on a tombstone in a churchyard an epitaph consisting of a dozen or of 20 words. A parishioner of the church thinks that this sort of epitaph is out of place on a tombstone. He writes a letter to the parish magazine setting out the words of the epitaph. Could it be suggested that that citation is so substantial, consisting of 100 per cent of the 'work' in question, that it must necessarily be outside the scope of the fair dealing provision? To my mind it could not validly be so suggested”.

This question is also dealt with in the case of Hawkes & Sons (London) Ltd. V Paramount Film Service Ltd.³² In this case, the owners of the copyright of a musical composition sued two companies for infringement. The plaintiff alleged that the second defendants, the Olympic Cinematograph Laboratories Ltd., had manufactured and sold and /or hired and delivered to the first defendants, the Paramount Film Service Ltd., a sound film known as news reel which infringed their copyright in the music and that the first defendants had caused the same to be hired out to and exhibited in various theatres, and they claimed an injunction. The defendants denied that any substantial part of the musical work was mechanically reproduced by the film and also denied that what they had done was any infringement of the plaintiff's copyright. It was held that there had

³¹ [1972] 2 Q.B. 98.

³² [1934] 1 Ch 593.

been an actionable infringement of the plaintiffs' copyright as there had been a reproduction of a 'substantial part' of the musical composition, and that the acts of the defendants did not constitute a 'fair dealing'.

2.8.4 Fair Dealing For Research or Study

The first fair dealing exception under section 29 (1) of the CDPA 1988 specifies the use of literary, dramatic, musical or artistic work for the purposes of research or private study.

With regard to the private study aspect of this provision it is probably not that significant. Nevertheless, the research aspect is more prominent. For instance, a computer program is a literary work. Therefore these computer programs may be copied and adapted for the purposes of commercial or academic research under the fair dealing provisions.³³ Research for commercial purposes is covered under the fair dealing exception. The kind of use of material that is important for libraries and archives is included in the exemption. If a third party makes copies and distributes the materials to more than one person at one time, these copies are considered as an infringement if they are used for the same purpose.³³

As mentioned above, the UK had adopted the EU Information Society Directive and CDPA has been amended. Among the sections that have been amended is the provision on fair dealing for research and private study. Exception for use by communication or for making available for purposes of research or private study to individual members of the public by dedicated terminals is provided under Article 5.3 (n) of the Information Society Directive³⁴, which has been implemented in the UK with the Copyright and Related Rights Regulations 2003.³⁵ Under the Regulations, Section 29 (1) has been substituted as follows:

³³ See Hoeren, Thomas, Decker, Ute, 'Electronic Archives and the Press: Copyright Problems of Mass Media in the Digital Age', 1998, *E.I.P.R.* 259.

³⁴ Article 5.3(n) of the Information Society Directive provides use by communication or making available, for the purpose of research or private study, to individual members of the public by dedicated terminals on the premises of establishments referred to in paragraph 2(c) of works and other subject-matter not subject to purchase or licensing terms which are contained in their collections. See also - Article 5.3(a) use for the sole purpose of illustration for teaching or scientific research, as long as the source, including the author's name, is indicated, unless this turns out to be impossible and to the extent justified by the non-commercial purpose to be achieved.

³⁵ The previous Section 29(1) stated that fair dealing with a literary work, other than a database, or a dramatic, musical or artistic work for the purposes of research or private study does not infringe any copyright in the work or, in the case of a published edition, in the typographical arrangement.

“29 (1) Fair dealing with a literary, dramatic, musical or artistic work for the purposes of research for a non-commercial purpose does not infringe any copyright in the work provided that it is accompanied by a sufficient acknowledgement.”

There are a few differences between the previous section 29 and the new amendments. . Before the amendment, fair dealing of works for purposes of research and private study were combined under one section. However under the amendment Act they are separated where section 29(1) provides for research purposes and section 29(1C)³⁶ for purposes of private study. Another point is that the old section 29(1) allows fair dealing with a work for purposes of research and did not expressly state that it must be for non-commercial purpose therefore this also includes research for commercial purposes.

On the other hand, the Regulations expressly states that it only applies to research carried out for ‘non-commercial purposes’ and study which is not ‘directly or indirectly for a commercial purpose’.³⁷ This new amendment is important in order to conform to the Information Society Directive.³⁸ However some people are concerned about the implication of this limitation, especially commercial organisations because even for internal research purposes they have get a licence to download material or to photocopy.³⁹

Under the Regulations, a new subsection (1B)⁴⁰ was inserted in place of the subsection (1A) which was deleted.

It seems that the fair dealing for purposes of private study is not quite so complex, although some attention should be given to fair dealing for purposes of research, even though it would appear that there is no case on point.

The case law on fair dealing has tended to draw a distinction between commercial exploitation and academic activity unsullied by thought of pecuniary gain. The difficulty is caused by the rise of research-based organisations with commercial

³⁶ Section 29(1C) fair dealing with a literary, dramatic, musical or artistic or artistic work for the purposes of private study does not infringe any copyright in the work.

³⁷ See Hart, *op. cit.*, p. 254.

³⁸ See Article 5.3(a) of the Information Society Directive.

³⁹ See <http://www.mda.org.uk/mcopyg/ec.htm>.

⁴⁰ (1B) No acknowledgement is required in connection with fair dealing for the purposes mentioned in subsection (1) where this would be impossible for reasons of practicality or otherwise.



objectives. In the biotechnology field, these companies are now accustomed to publishing their results in reputable scientific journals, and one can say that they have a dual function; to make money for their stockholders, and to add to the stock of scientific knowledge on the subject. Even university departments nowadays are alive to the possibilities of royalties. 'Fair dealing for the purposes of research' is a composite phrase, and it may be unwise to consider the elements 'research' and 'fair' in isolation from one another.

Considering present purposes of research, an important question is to what extent may a company copy published sequence data with the object of furthering its own scientific research, if this will be used to compete commercially with the originator? As always when 'fair dealing' is under consideration, one must presuppose that a substantial part has been copied, else there can be no infringement in the first place, and the need for this defence cannot arise.

First, it would seem that in this particular context, 'research' should involve something done with a view to finding something out, not work done with the object of satisfying a third party that the product is satisfactory, or amassing information to satisfy a potential customer or a regulatory body. That having been said, it would seem that the law will tend to favour bona fide research. Although it is a question of fact and degree, there is a fair amount of case law showing how the courts have approached questions of fair dealing. From these cases it appears that the courts are reluctant to regard dealing as 'fair' if the activity in question is commercial exploitation to the economic detriment of the copyright owner.⁴¹

The issue of fair dealing for the purpose of research and private study is also discussed in the case of Creative Technology Ltd v Aztech Systems Pte Ltd.,⁴² where C counterclaimed that A had reverse engineered through disassembly and copied a substantial portion of the firmware housed in the microprocessor of their sound card and had infringed their copyright in the software of the ancillary program supplied with it. A denied disassembly but admitted copying the ancillary software on the basis that it was fair dealing for the purpose of research or private study under the Copyright Act (Singapore) s. 35 (1). The Judicial Commissioner held that A had not been shown to

⁴¹ See Laddie, Prescott, Vitoria, The Modern Law of Copyright and Designs, (London: Butterworths, 2000), p. 1759.

⁴² [1997] F.S.R 491.

have had access to the firmware by means of disassembly and that they had not infringed copyright in the firmware. He also held that A's copying of the software did constitute fair dealing and was a lawful use of copyright software for a reasonable purpose, as implied by licence pursuant to the principle in Betts v Wilmott.⁴³ C appealed.

The court allowing the appeal held that the Judicial Commissioner had failed to address the cumulative weight and significance of all the similarities of the parties' firmware. A had the means, motive and opportunity to disassemble C's firmware. There was no reasonable explanation of development absent copying through disassembly. In terms of literal copyright infringement, A's software code did not amount to a substantial part of C's firmware. This did not prejudice the finding of infringement by disassembly, which involved a degree of reproduction and adaptation having a greater impact in terms of revealing the ideas and interfaces of C's software. The burden of proof remained with the party bringing the claim to prove copying and access to his work. Once this was established, the burden shifted to the other party to rebut that inference by way of evidence. A failed to rebut the inference. In the plain ordinary meaning of the Copyright Act (Singapore) section 35, private study for commercial purposes was not fair dealing. The principle of an implied term of "unfettered use" in Betts did not apply to copyright law.

2.8.5 Criticism or Review

The second fair dealing exception is for the purposes of criticism or review and it is not infringement provided it is accompanied by a sufficient acknowledgement.⁴⁴ An acknowledgement is considered sufficient if the copyright work is identified by its title or other description and the author is identified. If the work is published anonymously then the author does not have to be identified. The same rule applies to an unpublished work where it is not possible to ascertain the identity of the author of the work by reasonable enquiry.⁴⁵ However under the recent Regulations, section 30 has been amended and in subsection (1) has been inserted "and provided that the work has been made available to the public." The new amendment clearly states, that for now, fair dealing for purposes of criticism and review only applies when the work has been

⁴³ [1871] 6 Ch. 239.

⁴⁴ See section 30(1) CDPA 1988.

⁴⁵ See section 178 CDPA 1988.

lawfully made available to the public by means of issuing the copies to the public, making the work available by means of an electronic retrieval system, the rental or lending of copies of the work to the public, the performance, exhibition, playing or showing of the work in public and the communication to the public of the work.⁴⁶ A new subsection (1A)⁴⁷ has also been inserted after subsection (1).

The Paragraph 2(1) of Schedule 2⁴⁸ has also been amended and substituted with “fair dealing with a performance or recording for the purpose of criticism or review, of that or another performance or recording, or of a work, does not infringe any of the rights conferred by Part 2 provided that the performance or recording has been made available to the public.” Previously this Paragraph contained both fair dealing for the purpose of criticism or review and also reporting current events. However under the Regulations Paragraph 2(1) is specifically concerned with fair dealing for the purpose of criticism and a new Paragraph 2(1A) was inserted for the purpose of reporting current event. The new Amendment also imposed a condition that both performance or recording for the purposes of criticism or review have to be made available to the public and there was no such condition in the previous provision.

The crucial question that arises is what is the actual meaning of criticism in this context. The question about the meaning of ‘criticism’ under the Act was discussed in Hubbard v Vosper,⁴⁹ where Megaw L.J stated that criticism is not confined to criticism of the literary style, but also covered the criticism of ideas, or of the thoughts expressed by the work in question, that is, the subject matter of the work.

The above points leads one to consider whether the word ‘review’ is similar to ‘criticism’. It can be said that the word ‘review’ in the provision in a way is correlated with the word ‘criticism’. It seems that one is referring to the process and the other is reflecting the result of the critical application of mental faculties.⁵⁰

⁴⁶ Hart, *op. cit.*, p. 255.

⁴⁷ Section 30(1A) states for the purposes of subsection (1) a work has been made available to the public if it has been made available by any means, including- (a) the issue of copies to the public; (b) making the work available by means of an electronic retrieval system; (c) the rental or lending of copies of the work to the public; (d) the performance, exhibition, playing or showing of the work to the public; (e) the communication to the public of the work but in determining generally for the purposes of that subsection whether a work has been made available to the public no account shall be taken of any unauthorised act.

⁴⁸ Paragraph 2(1) Schedule 2 provides fair dealing with a performance or recording (a) for the purpose of criticism or review, of that or another performance or recording, or of a work.

⁴⁹ *op. cit.*, p.98

⁵⁰ See <http://www.robic.ca/publications/146.htm>.

However, in the case of Johnstone v Bernard Jones Publications Limited, and Beauchamp,⁵¹ the court had a different approach, and defined criticism as a judgment passed by some expert person on a literary work, and in fact that person need not necessarily be an expert. There must be first a work and then a judgment, but the work must be a specific work, and the judgment, if it is to be a criticism, must purport to be a judgment of a specific work.

The court in Banier v News Group Newspapers Ltd,⁵² stated that the real objective of the party using the copyrighted work was of prime importance when considering the issue of fair dealing. Section 30 (1) was designed to protect a critic or reviewer who bona fide wished to use the copyright material to illustrate his review or criticism.

The common practice of newspapers to publish before obtaining a licence may be one which they normally got away with, but it was plainly unjustified and unlawful. It was totally unreal to suggest that the objective in publishing a photograph in The Sun was to illustrate any review or criticism of the copyrighted work. Accordingly, B was entitled to an injunction.

In this case, the defendant argued that fair dealing applied in this case. The case referred to a photograph of Princess Caroline of Monaco, which was published in The Times newspaper under licence. NGN, publishers of the Sun newspaper, tried to obtain a similar licence, but could not contact B's agent in time. NGN therefore went ahead and published the picture without permission. B issued proceedings alleging copyright infringement and applied for summary judgment. NGN claimed that it was the practice of newspapers to publish copyrighted photographs before obtaining a licence when the photograph had already appeared in another newspaper; a licence would be obtained retrospectively. NGN argued that the publication amounted to fair dealing under the Copyright, Designs and Patents Act section 30 (1). NGN also argued that B should be

⁵¹ [1938] 1 Ch. 602, see too, *Time Warner Entertainment Co. v channel four T.V Corp. Plc* [1994] EMLR 13 where The Court of Appeal held that the defendant was not vitiated because of the way in which a copy of the film had been obtained and edited, on the basis that a dealing with a published work, if fair, would seldom if ever be rendered unfair because of the way the work had been obtained. It was also deemed not necessarily unfair for the criticism to confine itself to one aspect of the film, and that in applying the test as to whether the material taken amounted to an illegitimate exploitation of the copyright holder's work, the length of the clips taken was not unfair as criticism may be directed, not only at the work itself, but also at the thought and philosophy of the work. This defence could equally apply where the criticism was the decision to withdraw from circulation a film available elsewhere.

⁵² [1997] F.S.R 812.

estopped from complaining, as by granting a licence to The Times, B had represented that The Sun would subsequently be licensed. NGN also put subsistence and ownership of copyright in issue.

2.8.6 Reporting Current Events:

Section 30 (2) provides that fair dealing with a work (other than a photograph) for the purposes of reporting current events does not infringe copyright and in the case of reporting by means of a cable program, no acknowledgement of the source is required.

In order to use this defence, it is important therefore that the reporting should relate to current events. This is demonstrated in the case of Associated Newspapers Group plc.v News Group Newspapers Ltd.⁵³ The plaintiffs were the owners of the Daily Mail, who had for a limited time, obtained the exclusive rights to an exchange of letters between the late Duke and Duchess of Windsor. They printed a series of these in their newspaper. The defendants were the owners, editor and printers of The Sun newspaper, who printed the full text of one letter and a portion of another. The court granting an interlocutory injunction to prevent further copying, held that the Section 30 (2) defence was not available because The Sun was not reporting current events but merely copying material published by a commercial rival. The fact that the Daily Mail had published the letters under license was not news for the purposes of section 30 (2).

Another relevant provision is Section 30 (3) which states that no acknowledgement is required in reporting current events if the report is made by means of a sound recording, film, broadcast or cable programme. This section however have been amended under the new Regulations and the word from “broadcast” to “programme” has been substituted with “ or broadcast where this would be impossible for reasons of practicality or otherwise.”

The issue whether publication of the stills was for the purpose of reporting current events was discussed in Hyde Park Residence Ltd. v Yelland,⁵⁴ where this action was brought by a company responsible for the security of Mohamed Al Fayed and his family. It owned the copyright in a surveillance film containing pictures of the Princess

⁵³ [1986]R.P.C 515.

⁵⁴ [1999] All ER 604.

of Wales and Mr Al Fayed's son, Dodi, entering and leaving one of Mr. Al Fayed's houses in Paris on the day before their death. Still photographs from the video were obtained by The Sun and published in connection with an article seeking to disprove Mr Al Fayed's publicly expressed view that his son and the Princess of Wales had spent some time at his house in order to arrange their future life together. On the copyright owner's application for summary judgment for infringement of copyright in the stills from the film, The Sun argued that its actions fell within the 'reporting current events' defence discussed above and/ or were permitted by the defence of 'public interest' in common law.

With regard to sub-section 30 (2), Jacob J found that although the Princess and Dodi Al Fayed had died a year before The Sun's publication of the stills, the continuing controversy concerning the circumstances of her death meant that 'it would be pedantic to regard them as anything other than still 'current'. He also considered that the use of the stills was fair in the circumstances, particularly because they had been published in response to Mr Al Fayed's earlier public discussion of the relationship of his son and Princess Diana. The claimant appealed. The Court of Appeal held that to determine whether the publication of the stills was 'for the purpose of reporting current events', the first task of the court was to read the relevant parts of The Sun in order to ascertain what was the perceived purpose of the use of the stills. The test was objective not subjective. The fairness of the dealing had be judged by the objective standard of whether a fair minded and honest person would have dealt with the copyright work in the manner that the defendant did, for the purpose of reporting the relevant current events. The stills had not been published for the purposes of reporting those events but the purpose of exposing the false statements of Mr Al Fayed. The defence of fair dealing on this basis failed.

The Court of Appeal considered the 'fair dealing' provisions in Pro Sieben AG v Carlton U.K Television Ltd.,⁵⁵ where Robert Walker L.J gave judgment with which the other members of the court agreed. Robert Walker L.J stated that "criticism or review and 'reporting current events' are expressions of wide and indefinite scope. Any attempt to plot their precise boundaries is doomed to failure. They are expressions which should be interpreted liberally..." The Pro Sieben case concerned the use of an extract from a broadcast in the course of another programme 'exposing chequebook journalism'. The

⁵⁵ [1999] 1 WLR 605.

defendant in this case had been engaged in criticism of 'chequebook journalism' in general and not criticism of the plaintiff's work or the ideas underlying it. Robert Walker C.J found that the defendants were covered by the defence because the genre of 'chequebook journalism' was a term applied to a collective body of 'works' which represent this particular journalism practice. According to the defendants, they had reproduced the extract from the plaintiff's work in order to criticise a series of 'other works', and they were able to take benefit of the provision. The test of whether an extract from a copyright work had been used for one of the purposes laid down in section 30 (1) or (2) of CDPA⁵⁶ was an objective one. The user's subjective intentions were also relevant to whether the material's use satisfied the test of 'fair dealing'.

To illustrate how digital technology in some way had challenged the copyright principles, reference has to be made to the recent case of Shetland Times v Shetland News⁵⁷ which it concerned an Internet newspaper. To apply the Copyright Act to the hard copies of the Shetland Times and Shetland News seems easy, but since the Shetland Times is an Internet newspaper, the crucial question that arises is whether the copyright criteria for a hard copy also apply to the Internet newspaper, and to what extent does the Act extend copyright to the internet?

In The Shetland Times case, the plaintiff owned and published a newspaper called "The Shetland Times". The action was against those running a news reporting service under the name 'Shetland News'. Both businesses published news items on the internet. The plaintiff's home page contained advertising material and headlines of news stories. By clicking on a headline, the browser was taken to that news story. What the defenders had done was to incorporate the plaintiff's headlines into their own website so that those browsing the defendant's website could go straight to the news story without first going through the plaintiff's home page. The plaintiffs objected to this and sought an Interdict against the defendants. As to the question of whether headlines, which were essentially brief indicators of the subject matter of the items to which they related, were protected by copyright, the court held that a headline could be a literary work. Since it involved eight or so words designedly put together for the purpose of imparting information, it appeared arguable that there was an infringement.

⁵⁶ Section 3(1) defines literary work as any work, other than a dramatic or musical work, which is written, spoken or sung. The materials referred to are the headlines and whether they can be considered as literary work. Section 3(2) CDPA requires literary works to be recorded 'in writing or otherwise'.

⁵⁷ [1997] S.L.T 669.

Although the Shetland Times case has subsequently been settled, there is still literature that discusses the issue of what if the trial were to continue, and what defence would be available for the defendant. A specific defence that might have been available in the Shetland Times case is that whether the incorporation of links is permitted and can be considered as fair dealing under Section 30 (2) of the Copyright, Designs and Patents Act. This section provides that fair dealing with a work (other than a photograph) for the purpose of reporting current events does not infringe copyright; and in the case of reporting by means of a cable program (which includes a web page), no acknowledgement of the source is required. Surprisingly, the fair dealing point does not appear to have been argued at the interim interdict stage.

To make out this defence, it is essential that the reporting should relate to current events. This is demonstrated by Associated Newspapers Group Plc. v News Group Newspapers Ltd⁵⁸ where the court held that Section 30 (2) defence was not available because The Sun was not reporting current events, but merely copying material published by a commercial rival.

The principle established in British Broadcasting v British Satellite Broadcasting Ltd.⁵⁹ is that the quality and quantity copied should be “consistent with the nature of a news report and...no more than was reasonably requisite for a report of that type.” In this case, which concerned the use of excerpts from the plaintiff’s broadcasts of the World Cup football matches in the defendant’s sport news reports, the court was able to compare the reports with other news broadcasts to decide if the dealing was fair.

In the case of Newspaper Licensing Agency Ltd. v Marks & Spencer Ltd.⁶⁰ MS subscribed to a press cuttings agency which provided it with relevant items from newspapers. The agency paid a fee to NLA for the right to copy the cuttings. Once received, MS made further copies of the cuttings supplied which were then distributed internally. MS did not possess a licence to make the additional copies. NLA maintained that each copied cutting constituted the copying of a substantial part of the typographical arrangement of the published edition contrary to CDPA 1988 Section 16(3)(a). However the appeal was dismissed on the ground that copying of the literary,

⁵⁸ [1986] RPC 515.

⁵⁹ [1992] Ch 141.

⁶⁰ [2003] 1 A.C 551.

dramatic or musical work meant “reproducing the work in any material form”. In the case of the typographical arrangement, nothing short of a facsimile copy would suffice. However the definition of a “published edition” in Section 8 of the 1988 Act referring to the “whole or any part of one or more literary, dramatic or musical works” meant that there was no necessary correlation between the concept of a literary, dramatic or musical work and the concept of a published edition. Determination of what constituted a “substantial part” was a qualitative issue dependent not upon the proportion which the copied part bore to the whole but rather whether the copy made had appropriated the presentation and layout of the edition. On the facts of the instant case none of the cuttings made reproduced the layout of any page to such an extent as to constitute a substantial part of the published edition.

The issue of fair dealing for the purpose of reporting current events was also raised in PCR Ltd v Dow Jones Telerate Ltd.⁶¹ the court also stated that the quality was at least as important as quantity in determining whether a substantial part had been taken. In this case, L’s articles took the most important and interesting parts of P’s reports. All three articles had copied a substantial part of P’s reports. P’s works were published works, published anonymously as they did not identify F as the author. Accordingly, it was not necessary for D to identify the author in order to satisfy the fair dealing defence. D’s articles were written for the purpose of reporting current events, namely that P’s reports had come out and recording their impact on the market. The test of fair dealing required a balance to be struck between the rights of the copyright owner and those of the new reporter. None of the three articles limited its copying to only that which was reasonable and appropriate. Too much material was taken to satisfy the test of fairness. The legal protection of copyright and confidential information should not be swept aside in the interests of maximum transparency of the cocoa futures market. The relevant public interest was satisfied by the fair dealing defence in this case. In this case, P collected data and compiled reports about the status of cocoa crops. P employed F to write these reports and then distributed the reports to its subscribers for a substantial annual fee.

The reports were of a short term, price sensitive nature. D provided two specialist commodity news services, a real time news service and a library retrieval service. D employed L as a journalist to follow and report on the cocoa market. The case

⁶¹ [1998] F.S.R.170.

concerned three reports issued by P, which D reported on its real time news service and later made available in its library service. L wrote the articles and obtained the information about P's reports from trading sources. She included quotations from the reports and in one report included figures from a table relating to the number of cocoa pods per tree. P brought an action for breach of confidence and breach of copyright. It was held that the court ordered an enquiry as to damages for the infringement of copyright, but refused to grant an injunction. Each of L's articles had to be considered separately to determine whether a substantial part had been copied.

2.9 Fair dealing under the Malaysian Copyright Law:

The Copyright Act of 1987 provides for defence of fair dealing under section 13(2)(a), which states that "the doing of any acts referred to in subsection (1) by way of fair dealing for the purposes of non-profit research, private study, criticism, review or the reporting of current events, subject to the condition that if such use is public, it is accompanied by an acknowledgement of the title of the work and its authorship, except where the work is in connection with the doing of any of such acts for the purposes of non-profit research, private study and the reporting of current events by means of sound recording, film or broadcast".

The Copyright Act of 1987 does not define the term 'fair dealing'. Therefore, reference has to be made to other countries regarding the right approach to be used in a fair dealing defence. The terms 'private study' and 'non-profit' research are also not defined in the Act. Regarding private study, it is not certain that the study has to be for non-commercial purposes. Although section 13 (2) (a) expressly refers to 'non-profit research', the word 'non-profit' is unclear and it creates a lot of questions. The idea of non-profit research was previously more aimed towards research works for non-commercial purposes, for instance, research by companies and businesses and this does not fall under a fair dealing defence. Only the research works carried out by academic and university researchers were considered as non-profit research. Nevertheless, this is not now the case, as academics and university researchers also carry out research funded by commercial or business association.

The first way to consider whether certain dealing is fair, is to refer to one of the purposes under section 13(2) (a), that is, non-profit research, private study, criticism,

review or the reporting of current events. Secondly, the proportion of the work taken must be observed.⁶²

Fair dealing is different from fair use because its scope is more limited. Furthermore the use of the copyrighted works has to be for a specific purpose stated in the CDPA for instance, concerning criticism, review, news reporting, research and private study. There must be sufficient acknowledgement of the work and its author in the case of criticism and review. Although a use of copyrighted work comes within one of the categories of fair dealing it does not ensure that it will be covered under fair dealing. This is because there is no specific definition of fair dealing and in the end it is all a matter of impression.⁶³

2.10 Doctrine of Fair Use under United States of America (US) Copyright Law

Although this thesis focuses on Malaysian and UK Copyright law, since the US is the leader in the development of internet and also because there are a lot of US cases on issues relating to copyright and internet, it is therefore important to look at the Doctrine of Fair Use which is the Fair dealing equivalent. The end-user may be left wondering how they can safely navigate the internet without routinely showing contempt for the law. Among the copyright principles that permit the use of copyrighted material are the express or implied licence and fair use.

Even without the copyright owner's consent, a right given under the doctrine of fair use ensure that the copyrighted works can still be used by others. In order to achieve a balance between the public interest in the dissemination of information and the copyright owner's right, clearly the doctrine of fair use provide the perfect solution for that. This covers the use of the works that are for the purpose of criticism, comment, news reporting, teaching, scholarship or research. The court will look at the four factors in deciding whether the use of the work is of fair use.⁶⁴

Copyright law basically applies to the relationship of the author and the publisher and it is also responsible for providing regulation for the flow and dissemination of the uses of

⁶² See Khaw, Lake Tee, Copyright Law in Malaysia (Butterworths Asia, 1994), pp.189-198.

⁶³ Makeen, Fouad Makeen, Copyright in a global information society, (The Hague, London, Boston: Kluwer Law International, 2000), pp. 156-157.

⁶⁴ See Litsey, Calvin L, 'Copyright and the free flow of information', available online at http://www.faegre.com/articles/article_172.asp (accessed 14/02/03).

which a work is put through. The relationship is based on two tiers; firstly between the author and the publisher, and secondly, the individuals and institutions which constitute society or the public in general. The condition as to which work can be used will be determined by the author and publisher based on the right that had been assigned to them under copyright. Basically, the foundations of copyright law were based on the form of the exclusive rights granted to the author and his assignees. The fair use doctrine is used in order to balance interests between authors and publishers. There are two ways where fair use can be applied; firstly in a broader interpretation, it includes all exceptions to copyright in the public interest. Secondly, it identified the extent of use without the authors' permission. Therefore, it is questionable whether fair use could be considered as the best solution in solving the problem of conflicting interests between the author, the publisher, society and the public in general.⁶⁵

The fair use doctrine has been called 'the most troublesome' in all of copyright law. In essence, the fair use doctrine of copyright law explicitly recognises that some unauthorised uses of copyrighted property ought to be tolerated. In explaining the fair use doctrine, one court has observed that it 'offers a means of balancing the exclusive rights of the copyright holder with the public's interest in the dissemination of information affecting areas of universal concern, such as art, science and industry.' Thus the doctrine seeks to achieve a balance between the optimal use by society of resources, and the optimal level of creativity. Therefore, the fair use doctrine is one way in which the copyright law attempts to strike a balance between the competing interests of the individual creator and that of society. The fair use doctrine is used as an affirmative defence and the doctrine is applied once it is established that the defendant's work is, in fact, substantially similar to the plaintiff's. The doctrine is codified in Section 107 of the 1976 US Copyright Act.⁶⁶

2.10.1 Section 107 limitations on exclusive rights: fair use

“Notwithstanding the provisions of section 106, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for the classroom use),

⁶⁵ See Ploman, Edward W, Hamilton, L.Clark, Copyright, (London: Routledge & Kegan Paul, 1980), pp. 194-197.

⁶⁶ See Dreyfuss, Rochelle Cooper, Kwall, Roberta Rosenthal, Intellectual Property Cases and Materials on Trademark, Copyright and Patent Law, (Westbury, New York: The Foundation Press, Inc. 1996), p. 441.

scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use, the factors to be considered shall include:

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for non profit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.”

The section above does not attempt to define the term fair use at all. The Senate and House Committee expressly stated in their reports the decision not to provide a definition of fair use in the statute as follows;

“Although the courts have considered and ruled upon the fair use doctrine over and over again, no real definition of the concept has ever emerged. Indeed, since the doctrine is an equitable rule of reason, no generally applicable definition is possible, and each case raising the question must be decided on its own facts...

“The statement of the fair use doctrine in section 107 offers some guidance to users in determining when the principles of the doctrine apply. However, the endless variety of situations and combinations of circumstances that arise in particular cases precludes the formulation of exact rules in the statute...”⁶⁷

The above statements by the Senate clearly state that, although there is no specific definition, the court somehow managed to evolve a set of criteria which have been adopted in Section 107.

The House Committee reports also acknowledge the fact that in a period of rapid technological change there is no need to freeze the doctrine in the statute, and the court must be free to adapt the doctrine to certain situations on a case-by-case basis.⁶⁸

The fair use doctrine offers a means of balancing the exclusive rights of the copyright holder with the public’s interest in dissemination of information affecting areas of universal concern such as art, science and industry. Therefore, the fair use doctrine is one way in which the copyright law attempts to strike a balance between the competing interests of the individual creator and that of society. The fair use doctrine is used as an affirmative defence and the doctrine is applied once it is established that the defendant’s work is, in fact, substantially similar to the plaintiff’s.

⁶⁷ See Seltzer, Leon E, Exemptions and Fair Use in Copyright, (Cambridge Massachusetts: Harvard University Press, 1978), pp.19-20.

⁶⁸ *Ibid.*

To help determine whether a particular use is a fair use, the four 'fair use factors' under Section 107 of US Copyright Act have to be considered:

2.10.2 The purpose and character of the use:

In examining this factor, the US courts have to enquire whether the use is of a commercial nature or is not for profit. If a copyright work is infringed for commercial purposes, there is a presumption of unfair use. Other element such as educational purposes can outweigh the commercial use. The essence of distinction between whether a use is for commercial or non-profit purposes is not whether the work is solely for monetary gain, but whether the user stands to profit from exploiting the copyrighted material without paying the customary price.

Another point to be considered is whether the purpose of the second work is to use the copyrighted material for commercial or non-commercial gain and whether this use has taken the place of the original work or created something new to the original work. The second work that really transforms or add something new to the copyrighted work has more chances to qualify under fair use doctrine.⁶⁹

Similarly the UK courts may be reluctant to regard a dealing as fair if the activity in question is commercial exploitation to the economic detriment of the copyright owner. The issue here is whether the material has been used to help create something new or merely copied verbatim into another work.

2.10.3 The nature of the copyright work:

In determining fair use, the amount of protection a work may receive varies with the nature of the work. For example, the U.S Supreme court held that factual works may be used by others more freely than fictional works, although a user may not take more copyrighted material from a factual work than is needed to convey the facts. Using this approach, a broader use of informational work is permitted under fair use whereas creative, imaginative and more novel works are entitled to a high degree of protection.

⁶⁹ See Litsey, Calvin L, 'Copyright and the free flow of information', available online at http://www.faegre.com/articles/article_172.asp (accessed 14/02/03)

The public will no doubt benefit from the dissemination of information therefore there is more leeway to copy from factual works than from fiction works.

Copying from unpublished works like private letters will not be likely to be considered as fair use.

The works that are considered to be closer to the core of the copyright protection will be less susceptible to fair use. It would be hard to succeed in using fair use defence if copying is made from an unpublished work; for instance someone's private letter.⁷⁰

2.10.4 The amount and substantiality of use:

Another element to consider is the amount and substantiality of the portion used in relation to the copyrighted work as a whole. In most cases it appears to be based on whether the taking was substantial. Although the US court requires consideration of the portion copied in relation to the whole, most decisions appear to be based on whether the taking was substantial. A similar issue was considered in Hubbard v Vosper, where Lord Denning MR held that it is impossible to define fair dealing. It must be a question of degree, and one must consider the number and extent of the quotation and extract, and also the proportions, but it must be a matter of impression.

Therefore it appears that if the portion taken is small, there is more likely that it can be said to be fair use.

The consideration has to be made as to the quantity and value of the copyrighted material taken to determine whether the purpose of copying the copyrighted work is reasonable. A small amount of work taken from the original copyrighted material may not be regarded as fair use if it is the most important part of the work. However if the copyrighted work is used for the purpose of criticism or comment, the use of the whole work may be considered as fair use.⁷¹

⁷⁰ See Litsey, Calvin L, 'Copyright and the free flow of information', available online at http://www.faegre.com/articles/article_172.asp (accessed 14/02/03)

⁷¹ See 'Litsey, Calvin L, 'Copyright and the free flow of information', available online at http://www.faegre.com/articles/article_172.asp (accessed 14/02/03)

2.10.5 The effect of the use on the potential market and value of the work:

This factor considers the extent of harm to the market or potential market for the copyrighted work caused by the new work. This test evaluates the potential as well as actual financial harm to the original copyrighted work.

It involves a consideration of the effect of the use upon the potential market for or value of the copyrighted work. Courts have repeatedly identified this as the most significant of the four factors. In making a determination regarding the economic effect of the use, courts consider not only the extent of market harm caused by the particular actions of the alleged infringer, but also whether unrestricted and widespread conduct of the sort engaged in by the alleged infringer would result in a substantially adverse impact on the potential market for the original work, and any derivatives of the original work. There is no reason to expect that courts will approach claims of fair use of material on the internet any differently that they do outside an online environment. Commercial uses that involve no “transformation” of the material by end-users and that simply duplicate or supplant the original work or potential markets for the work will almost always be infringing. On the other hand, end users who copy material for a non-profit educational purpose and who comment on or criticise the copyrighted work will likely enjoy the benefits of fair use.

Courts in two other cases involving the “uploading” or “downloading” of copyrighted materials to and from bulletin board services have held that the activities of the defendants could not be justified on the grounds of fair use. In the case of Playboy Enterprises Inc v Frena⁷² the court found that the unauthorised downloading of digitised photographic images by BBS subscribers could not constitute a fair use. It determined that the bulletin board was operated for a commercial purpose, that the photographs were creative works entitled to broad protection; that the photographs constituted an important part of Playboy’s copyrighted publication, and that unrestricted and widespread conduct of this sort by others would harm the potential market for and the value of the photograph.

Another case is Sega Enterprises Ltd v MAPHIA⁷³ the court rejected a fair use defence with respect to the activity of making and distributing copies of copyrighted video

⁷² 839 F. Supp. 1552 (M.D.Fla.1993)

⁷³ 857 F. Supp.679 (N.D. Cal.1994).

games via bulletin board service. In issuing a preliminary injunction, the court found that each of the four factors militated against a finding of fair use.

Although the US Copyright Act is silent about how much weight should be given to each of the fair use factors, the US Supreme court in the case of Harper & Row Publishers v National Enterprises⁷⁴ declared that the effect of an unauthorised use of a copyrighted work on the potential market for or value of the copyrighted work is ‘the most important element of fair use. Therefore those who wish to use another’s copyrighted materials without permission must decide whether or not their utilization of the copyrighted material is going to harm either the present or potential market for the copyrighted work. In the UK, interpretations of this factor in relation to fair dealing, although not regarded as the single most important element, are similar to the U.S courts. The general principle employed is that where the use made of the material is a use that competes with the original copyrighted material, the courts will be more reluctant to regard the dealing as fair.

The Supreme Court in this case also state that fair use analysis must always be tailored to the individual case and held that The Nation’s article was not a “fair use”.

Taking into account the four factors enumerated in Section 107 as especially relevant in determining fair use, leads to the conclusion that the use in question here was not fair.

(i) As regards the first factor concerning the purpose and the character of the use: the fact that news reporting was the general purpose of The Nation’s use is simply one factor. While The Nation had every right to be the first to publish the information, it went beyond simply reporting uncopyrightable information and actively sought to exploit the headline value of its infringement, making a “news events” out of its unauthorised first publication. The fact that the publication was commercial as opposed to non-profit is a separate factor tending to weigh against a finding of fair use. Fair use presupposes good faith.

The Nation’s unauthorised use of the undisseminated manuscript had not merely the incidental effect but the intended purpose of supplanting the copyright holders’ commercially valuable right of first publication.

⁷⁴ [1985] 471 U.S 539.

(ii) The second factor concerning the nature of the copyrighted work: while there may be a greater need to disseminate works of fact than works of fiction, The Nation's taking of copyrighted expression exceeded the means necessary to disseminate the facts and infringed the copyright holders' interests in confidentiality and creative control over the first public appearance of the work. (iii) The third factor concerning the amount and substantiality of the use: although the verbatim quotes in question were an insubstantial portion of the Ford manuscript, they qualitatively embodied Mr. Ford's distinctive expression and played a key role in the infringing article. (iv) The fourth factor the effect of the use upon the potential market; as to the effect of The Nation's article on the market for the copyrighted work, Time's cancellation of its projected article and its refusal to pay \$12,500 were the direct effect of the infringing publication.

Once the copyright holder establishes a causal connection between the infringement and loss of revenue, the burden shifts to the infringer to show that the damage would have occurred had there been no taking of copyrighted expression. Petitioners established a *prima facie* case of actual damage that respondents failed to rebut. More important, to negate a claim of fair use it need only be shown that if the challenged use should become widespread, it would adversely affect the potential market for the copyrighted work. Here, The Nation's liberal use of verbatim excerpts posed substantial potential for damage to the marketability of first serialization rights in the copyrighted work. The Courts normally balance these four factors in determining whether a particular use of a work constitutes a fair use. In using generous verbatim excerpts of Mr. Ford's unpublished expression to lend authenticity to its account of the forthcoming memoirs, The Nation effectively arrogated to itself the right of first publication, an importantly marketable subsidiary right. The nature of the interest at stake is highly relevant to whether a given use is fair. The unpublished nature of a work is a key, though not necessarily determinative, factor tending to negate a defence of fair use. And under ordinary circumstances, the author's right to control the first public appearance of this undissemminated expression will outweigh a claim of fair use.

In this case, shortly after leaving the White House, former President Ford contracted with petitioners Harper & Row and Reader's Digest, to publish his as yet unwritten memoirs. The memoirs were to contain "significant hitherto unpublished material" concerning the Watergate crisis, Mr. Ford's pardon of former President Nixon and "Mr. Ford's reflections on this period of history and the morality and personalities involved."

In addition to the right to publish the Ford memoirs in book form, the agreement gave petitioners the exclusive right to license prepublication excerpts, known in the trade as “first serial rights.” Two years later, as the memoirs were nearing completion, petitioners negotiated a prepublication licensing agreement with Time, a weekly magazine. Time agreed to pay \$25,000, \$12,500 in advance and an additional \$12,500 on publication, in exchange for the right, except for 7,500 words from Mr. Ford’s account of the Nixon pardon.

The issue featuring the excerpts was timed to appear approximately one week before shipment of the full length book version to bookstores. Exclusivity was an important consideration; Harper & Row instituted procedures designed to maintain the confidentiality of the manuscript and Time retained the right to renegotiate the second payment should the material appear in print prior to its release of the excerpts. Two to three weeks before the Time article’s scheduled release, an unidentified person secretly brought a copy of the Ford manuscript to Victor Navasky, editor of *The Nation*, a political commentary magazine. Mr. Navasky knew that his possession of the manuscript was not authorised and that the manuscript must be returned quickly to his “source” to avoid discovery. He hastily put together what he believed was “a real hot news story” composed of quotes, paraphrases, and facts drawn exclusively from the manuscript. Mr Navasky attempted no independent commentary, research or criticism, in part because of the need of speed if he was to “make news” by “publishing in advance of publication of the Ford book.” This case requires the court to consider to what extent the fair use provision of the copyright Revision Act of 1976, 17 U.S.C 107 sanctions the unauthorised use of quotations from a public figure’s unpublished manuscript.

In the case of Sony Corp. of America v Universal City Studios, Inc.,⁷⁵ the petitioners manufacture and sell home video tape recorders. Respondents own the copyrights on some of the television programs that are broadcast on the public airwaves.

Some members of the general public use video tape recorders sold by petitioners to record some of these broadcasts, as well as a large number of their broadcasts. The question presented is whether the sale of petitioners’ copying equipment to the general public violates any of the rights conferred upon respondents by the copyright Act. Respondents commenced this copyright infringement action against petitioners in the

⁷⁵ 464 U.S 417,430 (1984).

United States District Court for the Central District of California in 1976. After a lengthy trial, the District Court denied respondents all the relief they sought and entered judgment for petitioners.

In the case of A & M Records, Inc. v Napster Inc.,⁷⁶ record companies and music publishers brought copyright infringement action against Napster, an Internet start-up that allowed users to download MP3 music files. On plaintiffs' motion for preliminary injunction, the District Court Chief Judge, held that the plaintiffs established prima facie case of direct copyright infringement and downloading and uploading of MP3 music files by Napster users was not fair use. The plaintiffs had also established likelihood of success on their contributory and vicarious infringement claims. Therefore the plaintiffs were entitled to injunctive relief.

How the court applied the fair use doctrine can also be seen from the case of Sega Enterprises Ltd.v Sabella.⁷⁷ In this case the court discussed each factors of fair use at great length. Sabella argues that the fair use defence applies in this case on the following grounds; (1) the use alleged does not deprive Sega of profits nor does it have a commercial nature. (2) digital browsing of a game file to determine the game's worth prior to purchasing it is a fair use. (3) The copiers have substantial, non-infringing uses. Under the fair use defence, there is no infringement, even where a person violates one of the copyright holder's exclusive rights, if that person's use is a fair one. In determining whether a use is fair, the following four, non-exclusive factors are considered; the purpose and character of the use; the nature of the copyrighted work; the amount and substantiality of the copyrighted work used; and the effect of the use upon the potential market for the copyrighted work. Because fair use is an affirmative defence, Sabella carries the burden of demonstrating it.

As for the first factor of fair use, that is, purpose and character of the use, Sabella argues that she should not be liable because there has been no commercial or profit-depriving use. She suggests that if her users copied games from her BBS, they only did so to 'browse' the games in order to make an independent determination of the games' worth before buying them. However, Sabella provides no evidence to support her theory of digital browsing. It is her burden to show that the fair use doctrine applies. The second

⁷⁶ 114 F. Supp. 2d 896 N.D Cal., 2000.

⁷⁷ 1996, WL 780560 N.D. Cal.

factor is the nature of the copyrighted work; the closer the copyrighted work is to the core of intended copyright protection, the more difficult it is to establish the fair use defence. In assessing this factor, one consideration is whether the copyrighted work is informational or creative. Because Sega video games are for entertainment uses and involve fiction and fantasy, and are more creative than informational, consideration of the nature of the copyrighted work weighs against a finding of fair use.

The third factor concerns both the percentage of the original work that was copied and whether what was copied constitutes the 'heart' of the copyrighted work. Here, Sega has shown that the BBS users copied virtually entire copyrighted works by way of their uploads and downloads of Sega games, and that these games were available through Sabella's BBS. Therefore, this factor weighs against a finding of fair use. The fourth and final factor is the effect of the use on the potential market and value of the work. This factor concerns the question whether unrestricted and widespread conduct of the sort engaged in by the defendant would result in a substantially adverse impact on the potential market for the copyrighted work.

While all factors must be weighed together, the fourth factor is the most important consideration. By utilizing Sabella's BBS, users are able to download and distribute one or more copies of Sega video game programs from a single copy of a Sega video game program on the BBS, and thereby obtain unauthorised copies of Sega's copyrighted video game programs. While Sabella contends that the copiers have other non-infringing uses, the court is unpersuaded by this argument. All of the factors discussed above weigh against the application of the fair use defence.

Because the fair use defence does not apply, and Sega has met its burden to show contributory copyright infringement by Sabella, the court grants Sega's motion with respect to its copyright claim.

The first factor that is "purpose and character of the use" seems more incline towards the use of work for non-commercial purposes. The second factor refers to the subject matter of the work where the court had to consider whether it merit copyright protection and also factual or non-factual work.

The facts of the case are as follows; each cartridge contains a single game program, and sells for between \$30 and \$70. The base unit contains a microcomputer which, when the unit is connected to a television, permits individuals to play the video game stored on the inserted cartridge. The cartridge format is not susceptible to breakdown or erasure. Defective Sega cartridges are replaced by Sega. Sega's game system is designed to permit the user only to play video games contained in Sega cartridges. The system does not permit the copying of video game programs. Sega does not authorise the commercial copying or distribution of its video game programs on magnetic storage media such as floppy disks or hard disks. Sabella was the system operator ("sysop") of an electronic bulletin board system ("BBS") called The Sewer Line, and was known on The Sewer Line BBS by the pseudonym or handle "Dirty Scum". A BBS, such as Sabella's The Sewer Line, consists of information stored on electronic storage media, such as computer memories or hard disks, which are connected to third party "users" over telephone lines by modem devices, and controlled by a computer. Users of BBSs can transfer information over the telephone lines from their own computers to the storage media on the BBS by a process known as "uploading". Uploaded information is thereby recorded or copied onto the storage media of the host bulletin board, in this case on The Sewer Line BBS owned by Sabella. Third party users can also retrieve or copy information from the BBS to their own computer memories by a process known as 'downloading'. Video game programs such as Sega's video game programs, are one type of information which can be transferred by means of BBSs. In this way, video game programs can be distributed by a BBS. Sabella was aware that her BBS contained a directory called "Genesis", a term Sabella knew to be associated with video games. The names of approximately 20 Sega games were present in this BBS directory as "file descriptors". A file descriptor is the text associated with a file to identify or describe the file. The word "SEGA", the exact word that is the SEGA trademark, was used in some of these file descriptors. These files were available for download and the BBS listed the number of times each file had been downloaded. However, Sabella has declared that she had no knowledge that games had been copied onto her BBS and that she herself had never copied nor authorised others to copy such games. She has also declared that she never used the word Sega in any of her BBS operations. Sega contends that Sabella is liable for copyright infringement under direct, contributory and vicarious liability theories. Sabella contends that she is not liable under any of these theories and that any copying done falls within the fair use defence.

Sega is this case is a major manufacturer and distributor of computer video game systems and computer video game programs which are sold under the SEGA logo, its registered trademark. As part of its development process, Sega takes care to ensure the quality and reliability of the video game programs and products sold under SEGA trademarks. Sega also owns the copyright for the game programs that Sega develops, and has federal copyright registrations for several video games, including Sonic Spinball and Jurassic Park. The Sega game system consists of two major components sold by Sega, the Genesis game console base unit, and software programs stored on video game cartridges which are inserted into the base unit.

2.11 Implied Licence

Implied licence is a defence that has always been used by the defendant in cases of infringement of copyright. To come up with one principle that can comprise all the cases where the licence to use copyright work will be implied, would be quite impossible. The following are examples of cases where the courts are willing to imply that in that particular act the copyright owner has consented to it, although these examples may not be the only ones that the court may in future willing to imply.

(a) Where A commissions B to create a copyright work in circumstances that it is clearly within the contemplation of the parties that A would use the work in the manner in which he did use it.

In the case of commissioned work, sometimes the commissioner will own the copyright in equity. Even if the circumstances were otherwise, normally the parties would have expected that the party who commissioned the work to be done will be able to use that work.

However there is the problem to determine the extent of use permitted under the licence. In the case of Blair v Tomkins and Osborne⁷⁸ an architect employed under the R.I.B.A Conditions of Engagement gives an implied licence to his client to use plans drawn up by him for all purposes connected with the erection of the building on the site to which the plan relate. U and N employed B, an architect, to prepare drawings in order to get planning permission to erect two houses. The term of engagement incorporated the

⁷⁸ [1971] 2 Q.B 78.

R.I.B.A Conditions of Engagement and Scheme of provisional charges as revised in 1962, which provided that the agreement might be terminated by either party on reasonable notice. B prepared the scheme and obtained planning permission. He charged GBP 70, which was paid. U and N then sold the land and handed over B's plans. The purchasers employed their own surveyors who used B's plan for the purpose of obtaining approval under the building regulations. B sued the purchasers and their surveyors for infringement of copyright in his plan. The court held that by his contract of employment B had impliedly promised to licence the use of his plans by the owners, the purchasers, their surveyors and workmen for all purposes connected with building houses on that site, whose licence became effective on payment of his fee.

However in the case of Stovin-Bradford v Volpoint Ltd⁷⁹ where the architect who prepares plans for planning permission purposes, and charges considerably less than the scale fee, gives no consent to the use of those plans in erecting the building. The question is whether such consent is implied if the full fee is charged. P was asked by D to prepare drawings for the purpose of applying for planning permission for the conversion of a factory. He did so for the fee of GBP 105, which was much less than the R.I.B.A scale fee for an architect's work up to that stage. D eventually obtained planning permission and without employing P further, used some features of P's drawing. P sued D for infringement of copyright. The Court dismissed D's Appeal and held that no licence to use the drawings for any purpose other than obtaining planning permission could be implied.

Apparently there is no specific test that can be used to determine the extent of licence

in such circumstances. Jacobs J in the case of Beck v Montana Construction Pty⁸⁰

"...it seems to me that the principle involved is this: that the engagement for reward of a person to produce material of a nature which is capable of being the subject of the copyright implies a permission, or consent, or licence in the person giving the engagement to use the material in the manner and for the purpose in which and for which it was contemplated between the parties that it would be used at the time of the engagement."⁸¹

⁷⁹ [1971] Ch. 1007.

⁸⁰ [1964-65] N.S.W.R 229.

⁸¹ Ibid at paragraph 29 of the judgment.

(b) Where an article which is a copy of a copyright work is sold or supplied by or with, the consent of the copyright owner, and the ordinary use of that article necessarily involves doing a restricted act.

The best way to illustrate this is the computer program where the usage of software necessarily involves the copying of the program and works contained in it.

In the case of Roberts v Handiware Ltd.⁸² The plaintiff owned the copyright in designs for handmade knitted garments. She exploited the designs both by manufacturing the garments and publishing pattern books by which people could make up the garments with the publishing pattern included in the books. The defendant made garments from the pattern books and sold them through their retail outlets.

The court granted interim injunction to prevent manufacture and sale.

(c) Where an express licence has been granted to do a particular act for purposes which involve the doing of another restricted act.

This situation can be illustrated by looking at the position of an author who has the copyright in a novel and grants this right to a television company to turn his novel into a film for broadcasting purposes. In this case Court would grant the licence to broadcast

(d) Where the behaviour of the copyright owner is such that consent must be inferred

(e) Where it is a custom of the trade

The application of this is limited and applies in respect of publication of newspapers and magazines. It seems that there is a custom of the trade that when an author of a manuscript article handed in to a periodical without any suggestion as to its publications then no further consent is required and the article may be published.

(f) Encouragement is not necessarily a licence

(g) Where no other terms or facts are inconsistent with implied licence.

In the case where the licence is implied by the contract between the parties, it was held that the licence extends no further than is necessary to give business efficacy to the contract. It also permits performance of otherwise infringing acts only to the extent

⁸² [1980] F.S.R 352.

necessary to allow a work to be used for the purposes, which were contemplated by the parties when the contract was made.

It seems that there is no UK case law on gratuitous implied licence, but Copinger suggests that the same principles should apply. The test is clearly an objective one, what is relevant is that the licence appears to observe what has been granted, not what, if anything, the author of the web page subjectively intended.

For instance the independent contractor made the work and this work is to be used by another but the author still retain the copyright and the contract is silent on this, therefore a licence to use the work will be implied in favour of the latter.

The general principle to be applied in this situation is;

“the engagement for reward of a person to produce material of a nature which is capable of being the subject of copyright implies a permission, or consent, or licence in the person giving the engagement to use the material in the manner and for the purpose in which and for which it was contemplated between the parties that it would be used at the time of the engagement.”⁸³

In Betts v Willmott⁸⁴ the owner of the English patent for metallic capsules of tin and lead compressed together so as to seal corks into bottles manufactured the article in England and France through an agent. The agent had been instructed not to sell any articles for export to England since the owner intended to have exclusive domestic production for the English market.

The owner discovered the defendant, Willmott, using the articles in England. Willmott had acquired them from a wholesaler who did not buy the articles from the owner in England. The owner, Betts, failed in his suit because inter alia, he was unable to prove that the use or sale in England was unauthorised - Willmott successfully raised the possibility that the articles were manufactured and acquired in France.

It was held by Lord Hatherley L.C;

“When a man has purchased an article he expects to have control of it, and there must be some clear and explicit agreement to the contrary to justify the vendor in saying that he has not given the purchaser his licence to sell the article, or to use it wherever he pleases as against himself. He cannot use it against a previous assignee of the patent, but he can use it against the person

⁸³ See Beck v Montana Constructions Pty Ltd [1963] 80WN (NSW) 1578 at p.1581.

⁸⁴ [1871] LR 6 Ch 239.

who himself is proprietor of the patent, and has the power of conferring a complete right on him by the sale of the article.”⁸⁵

There are many ways where the court may apply an implied licence to use any of the copyrighted works. This is because many transmissions through the internet affect one of the exclusive rights under the copyright law itself. This is different from copies in the printed form which can be distributed and browsed without making additional copies whereas creation of copies are needed in the transmissions on the internet and the distribution of a copy. It is arguable whether the law in this situation should imply permission although through the act of copyright, the owner may imply that there is an implied licence given by him. For instance when someone sends a letter to the editor of a newspaper, impliedly he is giving his permission through this act for his letter to be published. The same thing applies to the case where someone agrees to be interviewed by a television station, impliedly he is giving the right to that station to broadcast what he said in that interview. In an online environment, the same examples occur, where someone puts up his work on the website where the public can gain access to it, it may be assumed that he has impliedly given his permission to anyone to copy his work.⁸⁶

In the recent case of Trumpet Software Pty Ltd. v OzEmail Pty Ltd⁸⁷, Trumpet Winsock is an internet access program which had been developed by Trumpet Software Pty Ltd (TSP). It was available as shareware. TSP refused permission to OZEmail Pty Ltd (OP) to include the program on a free diskette inserted in copies of computer magazines. TSP intended to develop a time locked shareware version of the program. OP however went ahead with their plans. The free diskette distributed by OP contained the non time locked version of the program as well as some amendments introduced by OP. The amendments obscured or deleted TSP's shareware and registration messages facilitating the choice of OP (as oppose to TSP) as the Internet Service Provider whenever the user set up the software. A reader of the magazine would, therefore, be under the impression that TSP had consented to the distribution. TSP brought an action against OP for copyright infringement and for breaches of the Trade Practice Act 1974. OP submitted in argument that it had an irrevocable licence since TSP also distributed Trumpet Winsock as shareware. The court concluded, inter alia, the following first, that the

⁸⁵ See Lai, Stanley, The Copyright Protection of Computer Software in the United Kingdom, (Oxford-Portland Oregon, Hart Publishing, 2000), pp. 184-186.

⁸⁶ See Litsey, Calvin L, Copyright and the free flow of information, available online at http://www.faege.com/articles/article_172.asp (accessed 14/02/03).

⁸⁷ 1997-98 Info. T.L.R.451.

Trumpet Winsock program had copyright protection within the meaning of the Copyright Act 1968 and therefore could only be reproduced under a licence; secondly, as no consideration had been given by OP, and licence between them could not be contractual in nature; thirdly any such licence was revocable and indeed it had been revoked during the conversation between the two parties; fourthly, OP had no licence to deal with the program in this manner since the purpose of the shareware was to enable potential users to evaluate the program – this was not the intention of OP when making the program available. The court also considered whether any terms should be implied into the licence if the licence had not been revoked. The court applied two criteria from an earlier case *BR Refinery (Westerpoint) Pty Ltd v Shire of Hastings*⁸⁸ namely, whether the implied term was necessary to give business efficacy and whether it was obvious that it was essential for the shareware to be distributed without any changes whatsoever. The program could still be distributed with other software as long as that software was identified separately and did not affect the operation of TSP's software. The court concluded that OP had breached the condition of the licence (if it had not been revoked) by making the changes to the program.

The Trumpet Winsock case demonstrates that copyright law can accommodate the technological changes associated with the internet in the same way as it has accommodated the possibility of easier copying with the advent of the photocopier in the 1950s and computer technology in the 1960s. As with the cases on computer software, some may argue that the court has had to stretch copyright law to encompass this new technology. But on the other hand it may be argued that reaching the correct decision in terms of the economic policies underlying copyright law justifies a flexible approach to copyright principles.⁸⁹

The Trumpet Winsock case yet again demonstrates that copyright law is remarkably resilient to technological change. After the development of photocopiers and computer technology made copying increasingly easy, some predicted that copyright law would become increasingly redundant because of the costs of monitoring and preventing infringement. But that did not occur.⁹⁰

⁸⁸ [1997] 180 C.L.R. 266

⁸⁹ See Richardson, Megan, 'Intellectual Property Protection and the Internet', 1996, 12 *EIPR* 669.

⁹⁰ *Ibid.*, p. 671.

2.12 Conclusion

Copyright owners' concerns about the threat posed by the digital revolution are unquestionably legitimate. Digital technology is somehow different from other technology and it is appropriate to consider whether the copyright system should be adapted to accommodate that difference.⁹¹ The existence of the internet, challenge the copyright owner's exclusive rights especially regarding the reproduction right which has the biggest impact because it is quite impossible to stop copies from being made by anyone in an online environment. Not only is it that the copyrighted works can be copied by the users but it is also the nature of the internet itself that needs transient copies to be made in its transmission process. Therefore Copyright law has to keep up with the technology and find the appropriate solutions to these digital issues. Despite this, there are defences for copyright infringement available such as fair use, which has been used successfully in many cases relating to, copyright and internet issues.

⁹¹ See Vinje, Thomas C, 'A Brave New World of Technical Protection Systems: Will There Still Be Room for Copyright?', 1996, 8 EIPR 439.

Chapter 3

The Legal Issues on The Internet

3.1 Introduction

The internet has undoubtedly dominated our lives today because of its power to provide us with information. The internet is also well known as the worldwide information network. Since it was first introduced it has grown at such a phenomenal rate that no one can really estimate its growth rate: as soon as the data reflecting size estimates are released, they become out-of-date.¹

According to Edwards,² there is no official definition of the internet, but most of the industry would agree that the internet can be described as a 'network of networks'. It consists of a group of computers linked together to share resources. These networks have some type of communication channel that carries information from a sending device to a receiving device.

There is no concise definition of the internet but basically it can be said that the internet is no more than a collection of computer-based resources that share information. The internet is different from other computer-based systems because it is a system that is globally distributed.³ The internet is just like a local area network, only it is a larger version and all the files being retrieved are web pages located on a distant computer. It should be noted that the history of the internet first started with a US defence-related academic research initiative in the late 1960s, leading to the development of the

¹ See Gallo, Rinaldo Del, 'Who Owns The Website?: The Ultimate Question When a Hiring Party Has a Falling-out With The Website Designer', 1998, John Marshall Journal of computer and information law.

² See Edwards, Lilian, Waelde, Charlotte, Law & the Internet Regulating Cyberspace, (Oxford: Hart Publishing, 1997), p.14.

³ See Frost, A, Norris, M, Exploiting the internet. Understanding and exploiting an investment in the internet, (England: John Wiley & Sons, 1997), p. 3.

ARPAnet (or Advance Research Projects Agency network). In the beginning, the ARPAnet started as a network with only four computers. Gradually, a large number of additional networks were attached to the original ARPAnet. Nevertheless, its commercial potential was only recognised in the 1990s when the World Wide Web was developed. Packet-switching is one of the key technologies of the internet, and it was designed to ensure that the network could withstand a sustained missile attack.

The data in packet-switching is transmitted across the internet, encapsulated in addressed 'packets' or 'envelopes', and it has to go through special purpose computers known as 'routers' for the packets' address. The routers have the task of finding the current best route to the final destination based on the information. The routers constantly scan the accessible networks, looking for breakages, and that is why packages with the same destination need not necessarily take the same route.⁴

The internet can be described as a network of electronic roads crossing the world like on information superhighway. On the other hand, the Web is only among one of the services using that network like many types of vehicles on the roads, although the web is the most popular on the internet,⁵ some people have the impression that the terms World Wide Web (WWW) and the internet are the same, but in actual fact these two terms are not similar. The WWW, which is only one part of the internet, has a system that link thousand of documents to thousands of computers together through the internet by means of HTML or hypertext links. Besides the WWW, the internet also consists of search engines and facilities such as Gopher, Telnet, File Transfer protocol (Ftp), E-mail, Usenet and Forums.

Gopher is quite similar to the WWW and through a text oriented menus the user can access information resources through the internet. Telnet enables the user to access or control a remote computer over the internet. Through Ftp the content of the remote computer can be accessed by the user and files can be transferred from one computer to another. Electronic mail (E-mail) is a form of communication from one point to another and the Usenet is a discussion group which allow anyone with an e-mail account to

⁴ See Edwards, *op. cit.*, p.15.

⁵ See Gilles, James, Cailliau, Robert, How the web was born, (Oxford: Oxford University Press, 2000), p.1.

join.⁶ Like the old library catalogs, the search engine has a similar function and they are the indexes of the web.⁷

The inventor of the World Wide Web, Tim Berners-Lee had completed the software that runs the WWW in 1991. He decided not to copyright his invention and is committed to preventing any single corporation from dominating the Web because he thinks that would destroy the web's potential to be the public means of communication and getting information.⁸ The Internet Society which provides a long term support for the internet standards process has authority for the development of the internet. The society's goal is to ensure that the internet stays viable in a long term.⁹

It is quite difficult to come up with an exact explanation of the internet. However, these points illuminate some of the problems raised by the internet. The problem with the internet is that it does not belong to anybody, and therefore no one has absolute control over the whole internet network. The internet transmits data in the form of text, graphics, sounds, videos, computer programs, and so on. The data is said to be 'downloaded' when it is taken out from the internet, whereas it is considered to be 'uploaded' when the data is provided to the internet.¹⁰ In the digital world everything will be different because 'digital' means that all books, painting, music, film, databases will be changed to binary form. The computer made it possible for these works to be stored, modified, reproduced or broadcast through the internet.¹¹

The special or unusual features of the internet which make it a subject of particular interest may be brought out by contrasting it with more traditional methods of disseminating information, such as printing or broadcasting. Copyright as we know it originated because of the introduction of the printing press with moveable type.¹²

⁶ See Makeen, Makeen Fouad, Copyright in a global information society, (Netherlands: Kluwer Law International, 2000), pp. 282-283.

⁷ See Conference Proceedings, 9th International World Wide Web Conference. The Web: The next generation. Elsevier, Amsterdam, 2000, p.257.

⁸ See Moschovitis, Christos J.P, Poole, Hillary, Schuyler, Tami et.al, History of the Internet: A chronology, 1843 to the present, (Santa Barbara, California: ABC-Clio, Inc., 1999), pp. 162-163.

⁹ See Sim, S, Davies, J, The Internet and beyond, (London: Chapman & Hall, 1998), p. 3.

¹⁰ See Laddie, Prescott, Vitoria, The Modern Law of Copyright and Designs, (London: Butterworths, 2000), p. 1663.

¹¹ See Merwe, Dana van Der, 'The dematerialization of print and the fate of copyright', 1999, International Review of Law Computers & Technology, Vol. 13, no. 3, p. 306.

¹² *Ibid.*, p.1661.

Before looking at the various legal issues raised by the emergence of the internet in a little more detail, it is paramount to stress that the internet itself is so new that case law has yet to catch up with the problems that the technology is creating. Thus there are very few cases that discuss copyright issues on the internet in any context.

In this chapter, four technical aspects of the internet that have raised internet copyright issues, have been chosen. These issues are concerning with; (a) accessing web pages; (b) linking (c) framing and (d) caching. The issue of accessing webpages is chosen because it departs from the traditional methods of using copyrighted works and the internet requires making copies of works which might infringe the copyright holder's exclusive right to copy under the Copyright Act. As regards linking, the process of linking from one webpage to another raises a legal problem; which is whether it can be considered as an act of infringement of copyright. Similarly caching raises legal problems because of its nature, which involve making copies of works that might infringe copyright. Framing also raises a legal issue when someone frames material from another website in his own website. The copyright law applied to these issues will be critically evaluated in the next chapter.

3.2 Accessing web pages:

The internet as a new medium of communication has in a way created legal questions which are totally different because of firstly the nature of the activity which is unfamiliar in the physical world and there is no present law or rule which is suitable to be the model. Secondly, it is difficult to find the solution to the problem although the problem exists in the physical world, because present concepts cannot be applied to it. The two characteristics which rarely appear in traditional activities causes these challenges. The digital nature of the internet is the first characteristic and the second is that the internet has a cross border effect. Some internet transactions, such as posting a web page, have a global reach.

Although transactions which have multi-jurisdictional consequences are not uncommon in the physical world, they rarely give rise to the kinds of legal uncertainty found in many internet transactions. The cross-border nature of internet transactions poses two types of challenges to the law;

- (a) National law controls on dealings in information such as information assets and personal data become less meaningful and particularly hard (or impossible) to enforce; and
- (b) The multiplicity of overlapping applicable laws and jurisdictions can lead to situations where an activity is subject to multiple and contradictory regulation or to no regulation at all.

To meet these challenges, the global system of laws has to develop new legal concepts and devise techniques for eliminating cross-border conflicts.¹³

The web has become the most successful marketing tool of the future. Through the web, the world has encountered opportunities to transcend geographical limitation with interactive advertisements, and at a lower cost when compared to other media sources available for communicating a message.¹⁴

The World Wide Web consists of a complex matrix of individual web pages. In actual fact, a website comprises a succession of web pages that appear on a computer monitor, as one goes from page to page by clicking on links. It can be said that web pages are linked together in a cascading, tree-like fashion, where from the web home page, one may select several topic pages from which one chooses sub-topics, from which one can access further topics by clicking on additional links. The ISP client may go to the specific text that interests the user. The web page has its own designated uniform resource locator (URL), which is distinctive from all others. A well designed website will often have links to other websites.

The home page refers to the first web page at which an online user starts browsing, and it forms the first page of the document. The hypertext markup language (HTML) is a software program, and hypertext is defined as a method of presenting information so that a user can view it in a non-sequential manner, regardless of how the topics were originally organised. The hypertext is created to describe the process of hopping from location to location in a non-linear fashion, according to one's wishes. With the creation of links or hyperlinks, appearing in the form of highlighted symbols or icons that appear on the computer screen, the user is able to hop from one web page to another. The act of going to and from whatever websites you want, whenever you want, is called

¹³ See Reed, Chris, Internet Law Text and Materials, (London, Butterworths, 2000), pp. 268-269.

¹⁴ See Edwards, *op. cit.*, p.15.

'browsing'. It is also known as 'surfing the net', and is always referred to accessing websites, and this issue has caused the most heated debate in the copyright and cyber world. This is due to the fact that whenever the website is accessed, something in the form of text, pictures, sounds or animation is copied. The software in the browser's computer, that is a 'web browser,' interprets the data and presents them to the user in the format intended.¹⁵

Nowadays, it appears that browsing is the most common activity of users on the internet. The complex problems raised by the internet mainly stem from the fact that it departs from traditional methods of using a copyrighted work. The internet, on the other hand, generally requires making a 'copy' of the work, and may also require distribution, transmission and access to the work as well.¹⁶

The problem of browsing which relates to copyright and the internet starts when someone puts up her work on a website, which is also a publicly accessible site where any user may access the material, and the material is housed in such a manner as to encourage its downloading.¹⁷ As mentioned in chapter 2, it is the copyright holder's exclusive right to copy, distribute, and transmit the copyrighted work. However, the latter acts are essential and incidental to browsing a work on the internet. Hence it would appear that browsing might technically infringe multiple rights of the copyright holder. Moreover, browsing might also impeach the right of public display and/or public performance.¹⁸

The question of whether digital browsing can be considered as fair use was discussed in the case of Religious Technology Centre v Netcom On-line Communication Services, Inc.¹⁹ This case also concerned an issue of first impression regarding intellectual property rights in cyberspace. Specifically, it addresses whether the operator of a computer bulletin board service ("BBS"), and the large internet access provider that allows that BBS to reach the internet, should be liable for copyright infringement committed by a subscriber of the BBS.

¹⁵ See Johnston, David, Handa, Sunny, Morgan, Charles, Cyber Law, (Selangor: Pelanduk Publications Sdn. Bhd., 1998), p.153.

¹⁶ See Hayes, David L, 'Advanced Copyright Issues on The Internet', 1998, Findlaw.Library, pp.48-49.

¹⁷ See Johnston, *op. cit.*, p. 153-154.

¹⁸ *Ibid.*

¹⁹ 907 F. Supp. 1361 (N.D.Cal. 1995).

In this case the plaintiffs, Religious Technology Centre and Bridge Publications Inc., held copyrights in the unpublished and published works of L. Ron Hubbard, the late founder of the Church of Scientology ('The Church'). The defendant, Dennis Erlich, is a former minister of Scientology, who has become a vocal critic of the church, whose pulpit is now the usenet newsgroup alt.religion.scientology ("a.r.s"), an on-line forum for the discussion and criticism of Scientology. In this action, the plaintiffs maintained that Erlich infringed their copyrights when he posted portions of their works on a.r.s. Erlich gained his access to the internet through defendant Thomas Klemesrud's BBS "support.com." Klemesrud is the operator of the BBS, which is run out of his home and has approximately 500 paying users. However, Klemesrud's BBS is not directly linked to the internet, but gains its connection through the facilities of defendant Netcom On-Line Communications Inc. ("Netcom"), one of the largest providers of Internet access in the United States.

After failing to convince Erlich to stop his postings, the plaintiffs contacted defendants Klemesrud and Netcom. Klemesrud responded to the plaintiffs' demands that Erlich be kept off his system by asking the plaintiffs to prove that they owned the copyrights of the works posted by Erlich. However, the plaintiffs refused Klemesrud's request as unreasonable. Netcom similarly refused the plaintiffs' request that Erlich not be allowed to gain access to the internet through its system. Netcom contended that it would be impossible to prescreen Erlich's postings and that to deny Erlich access to the Internet meant denying access to the hundreds of users of Klemesrud's BBS. Consequently, the plaintiffs named Klemesrud and Netcom in their suit against Erlich, although only on the copyright infringement claims. One of the issues raised in this case was whether an Internet Access Provider is directly liable for unauthorised copies of copyrighted work that are made and stored on its computer. In the judgement, the court was not persuaded by the plaintiffs' argument that Netcom was directly liable for the copies that were made and stored on its computer. Where the infringing subscriber is clearly directly liable for the same act, it does not make sense to adopt a rule that could lead to the liability of countless parties whose role in the infringement is nothing more than setting up and operating a system that is necessary for the functioning of the internet. Such a result is unnecessary as there is already a party directly liable for causing the copies to be made. Netcom additionally argued that the plaintiffs' theory of liability would have a chilling effect on users who would be liable for merely browsing infringing works. Another issue to consider in the *Religious Technology Centre* case was whether the

internet access provider has the right and the ability to exercise control over the activities of its subscribers. Whyte J in this case held that; (1) the access provider was not directly liable for copies that were made and stored on its computer; (2) it is an issue of fact as to whether the access provider had knowledge of infringing activity (this precluded summary judgement on the contributory infringement claim); (3) the access provider did not receive direct financial benefit from the infringing activity which is necessary to hold it vicariously liable; (4) fact issues precluded summary judgement on the access provider's fair use defence; (5) the bulletin board operator could not be held liable on theories of direct infringement or vicarious liability; (6) the holder's allegations were sufficient to raise the issue of contributory infringement on the part of the operator; and (7) the holders were not entitled to a preliminary injunction.

Although the court in the above case is correct in its observations under U.S copyright law, browsing raises important copyright problems that cannot be dismissed simply on the notion that doctrines such as fair use, implied licence or innocent infringement will remove the problems entirely. However, it seems that since around 1971 technology has changed in many ways that affect copyright. It appears that the world has 'gone digital', and copyrighted works have been converted into binary form which allows authors to make printed publications available for temporary use on-line. Consequently, through the medium of compact disc (CD), musicians, producers and performers have been able to improve the quality of sound recordings.

Therefore, the copyright system, which traditionally had to deal only with works on paper or in other 'analogue' forms, now has to face the digitisation of works, which in itself creates a number of interesting implications for copyright. The traditional copyright system only recognised tangible publishing and distribution, and that no one could make printed copies of a book and sell them through retail outlets without the author's consent. However, at present the copyright system has had to come to terms with 'dematerialised' works in digital form, where the supporting media are irrelevant or non-existent. For instance, a book can now be copied and used on a computer disk, on a CD-ROM (CD read-only memory) disk, or from an on-line service via the temporary random-access memory (RAM) of a computer. There are an increasing

number of works that are only published in dematerialised form on such vehicles as the internet, for instance, newsletters and original databases.²⁰

There is also an allegation that browsing technically causes an infringing copy of the digital information to be made in the screen memory. In MAI Systems Corporation v Peak Computer Inc²¹, the court held that such a copy is fixed, even when information is temporarily placed in the RAM, such as the screen's RAM. The temporary copying involved in browsing is only necessary because humans cannot otherwise perceive digital information. It is the functional equivalent of reading, which does not implicate the copyright laws and may be done by anyone in a library without the permission of the copyright owner. However, it can be argued that the effects of digital browsing are different because millions can browse a single copy of a work in cyberspace, while only one can read a library's copy at a time.

In the absence of a commercial or profit-depriving usage, digital browsing is probably a fair use: there could hardly be a market for licensing the temporary copying of digital works onto computer screens to allow browsing. Unless such a use is commercial, such as where someone reads a copyrighted work online and therefore decides not to purchase a copy from the copyright owner, fair use is likely. Until reading a work online becomes as easy and convenient as reading a paperback, copyright owners do not have much to fear from digital browsing and there is not likely to be much market effect.

Through technology, the website can be protected by using a password to stop the public from having access to it. However the number of website that are password protected is limited mainly because of the reason behind putting any information on the internet itself, that is for the public to have access to those materials. Another problem is that the Act provides that any assignment or licence of copyright must be in writing and signed by the owner but in browsing cases there is no such agreement. The copyright owners also have the right to authorise the copying of work in material form and this shows that even without owning or licensing the copyright, material can be used that is reproduced.²²

²⁰ See Dixon, Allen N, Hansen, Martin F, 'The Berne Convention Enters The Digital Age', 1996, 11 European Intellectual Property Review, p. 605.

²¹ 991 F.2d 511, 518 (9th Cir. 1993).

²² See Johnston, *op. cit.*, p.154-155.

Under an exclusive licence agreement the licensee can exercise the rights granted to him to the exclusion of all others. The exclusive licence must be in writing and signed by the copyright owner in order for it to be effective.²³ The non-exclusive licence operates as a permission to do activities which are the exclusive rights of the copyright owner but does not exclude other licensees from doing the same activities. The intellectual property owner may give the non-exclusive licence to anyone he chooses.²⁴

Section 28A of the CDPA states that:

“copyright in a literary work, other than a computer program or a database, or in a dramatic, musical or artistic work, the typographical arrangement of a published edition, a sound recording or a film, is not infringed by the making of a temporary copy which is transient or incidental, which is an integral and essential part of a technological process and the sole purpose of which is to enable:

- (a) transmission of the work in a network between third parties by an intermediary;
or
- (b) a lawful use of the work and which has no independent economic significance.”

It can be argued that browsing fall under this section, because the temporary copying involved in browsing can be said to be a lawful use of work, because without that the user cannot browse.

3.2.1 Computer Memory:

It is quite important to have some background knowledge on computer memory so that one can understand how the computer works. Computer memory is organised into a hierarchy, where at the highest level (closest to the processor) would be the processor registers. Second, comes a cache or two levels of cache. Next comes the main memory, which is usually made out of dynamic random-access memory (DRAM). All the above are considered internal to the computer system. Although to use only the fastest memory would be the best, it is the most expensive memory, and therefore you have to trade off access time for cost, by using more of the slower memory.

²³See Groves, Peter, Copyright and Designs Law. A question of balance, (London Graham & Trotman Limited, 1991), p.138.

²⁴ See Bainbridge, David, Intellectual Property, second edition, (London, Pitman Publishing, 1994), P. 70.

Nonetheless, it can be arranged that the data and programs be in the more dynamic memory so that the memory words needed are usually in the faster memory. Most future accesses to the main memory by the processor are likely to be to the locations, which have been recently accessed. Hence the cache will automatically retain a copy of some recently used words from the DRAM. If the cache is a well designed, the processor usually requests memory words that are already in the cache.²⁵

Random-access memory (RAM) is the most common type of semiconductor. One of RAM's distinguishing characteristics is that it can both read data from the memory and write new data into the memory both easily and rapidly. Another characteristic of RAM is that it is volatile. A constant power supply must be provided to the RAM, otherwise the data will be lost if the power is interrupted. Therefore RAM may be used only for temporary storage.²⁶

The Encyclopaedias of Computer Science²⁷ defines RAM as digital computers that store data in the form of binary digits. Each digit is called a bit: the minimum storage element. A bit may either assume the value '1' or '0', nothing else. Data may be both read from and written to any location in the main memory. This type of memory is known as random access memory, or RAM. To access the data in the main memory, some element of the computer system must first provide the memory system with an address which describes the location of the data in the memory. The address may come from the CPU, from a cache memory, or from a memory mapped I/O device. This address is a binary representation placed on the address bus of the memory system. After an access time, the memory system will return the selected data on its data bus, where it can be captured by the computer system.

Alternatively, the computer system can write data into the memory by signalling a write operation to the memory system and placing data on the data bus and addresses on the address bus. The data bus is called bi-directional as it can serve to write data to and read data from the memory system. New data can be read from or written to the memory system every cycle time. The access and cycle times are a function of both the technology and organisation of the memory system. Typically, each memory address

²⁵ See Stallings, William, Computer Organization and Architecture, 5th edition, (New Jersey: Prentice Hall, 2000), p. 96.

²⁶ *Ibid.*, p. 104.

²⁷ See Ralston, Anthony, Encyclopaedias of Computer Science, 4th edition, (London: Nature Publishing Group, 2000), p.1130.

refers to more than one bit of data in the memory system. The minimum uniquely addressable unit of data in the main memory is typically eight bits or a byte. However, the size of this addressable quantum, often called a word, depends on the computer system, the memory unit and the access mode.

Que's Computer & Internet Dictionary²⁸ also defines RAM as a computer's primary working memory in which program instructions and data are stored so that they can be accessed directly by the central processing unit (CPU) via the processor's high-speed external data bus. In RAM, the CPU can write and read data. Most programs set aside a portion of RAM as a temporary work space for your data, so you can modify it as needed until the data is ready for printing or storage on a secondary storage media, such as a hard or floppy disk. RAM does not retain its content when the power to the computer is switched off.

As mentioned in the earlier chapters, one of the copyright holder's rights under the UK Copyright Act of 1988 is the exclusive right to make and authorise the making of reproductions of the copyrighted work.²⁹ The Copyright Act confers only upon the author, licensees and successors in title the right to make copies of the copyrighted works. The Act also specifies that copying in relation to literary, dramatic, musical and artistic works means reproduction of the work in any material form, and it also includes storage of the work in any medium by electronic means.

For the purposes of the Copyright Act, a work is only considered as 'fixed' when it is recorded in writing or otherwise.³⁰ The Copyright Act requires a work to be 'fixed' in a tangible medium of expression, whereby its embodiment in a copy or phonorecord by or with the authority of the author is sufficiently permanent or stable to permit it to be perceived, reproduced or otherwise communicated for a period of than a transitory duration.

The requirement that a work has to be 'fixed' in order to be copyrightable suggests that a work has to have a physical embodiment that lasts long enough to need protection, and that in exchange for the protection, the author has contributed something of lasting

²⁸ See Pfaffenberger, Bryan, Wall, David, Que's Computer & Internet Dictionary, 6th edition, (Indianapolis, U.S.A: 1995), p.437.

²⁹ See Section 16(a).

³⁰ See Section 3(2).

value to society. With regard to reproduction, the fixation requirement guarantees that, for a copy to be an infringement, it must harm the copyright holder. It is not otherwise necessary to have protection, since copies that do not harm copyright holders do not deter them from the creation of new works.

In order to be able to apply copyright reproduction provisions to RAM embodiment, it is paramount to understand what computer memory is. It appears that computer memory is far more complicated than the courts and the law makers have recognised and its use varies greatly within the architecture of the particular computer, operating system, software and type of digital work in question. The term 'computer memory' refers only to the RAM of a computer. However, the term 'computer memory' in common usage is often used to refer to RAM and to permanent or semi-permanent forms of storage, such as hard drives or floppy disks, because both "memorises" information.

This uncertainty has added confusion to copyright law's treatment of RAM because law makers and courts have not used clear and explicit language when referring to RAM and to hard drive 'memory'. In the event that the electricity is cut off, or the address is reallocated, the embodiment is lost completely. It has to be noted that data in RAM, whether primary or secondary, is stored electronically, not magnetically, as on a hard disk. The conclusion drawn by modern law, that digital embodiments in RAM are reproductions, can be attributed to law makers' early confusion and unclear statements about computer memory. Computer technology was still very new in the 1970's, and the lawmakers did not have adequate understanding of how computer memory worked. Thus no distinction was made between permanent or semi-permanent storage and the RAM of a computer in the early legislative history.

As noted, a computer's permanent hard disk and RAM are totally different and under copyright law should be treated differently. The Copyright Act regarded the copies of a digital work on a semi-permanent or permanent computer memory device, such as a computer's hard drive or Read Only Memory (ROM) as fixed under that Act. This is because until they are actively deleted, they will remain in storage for more than a transitory duration. However, the digital data embodied in RAM is very transient and is

not permanent. Due to the transient nature of RAM, which therefore distinguishes it from fixed storage, it needs special analysis under the reproduction provisions.³¹

The benefit that copyright holders derive from their work will not be threatened by RAM embodiment. A user who wants to create an embodiment in RAM must have a permanent copy of the work to load into RAM. The sale of this permanent copy may benefit the copyright holder. The RAM embodiment once made cannot be easily transported and cannot survive without a constant supply of electricity and also has no market value. Even though one could technically load a copyrighted piece of software into the RAM of a portable, battery operated machine and be able to distribute it to others, the software would be lost forever as soon as the battery runs out or is taken out of the machine to be replaced. The redistribution would only be feasible if the RAM embodiment were copied into a permanent form, which in itself would be a copyright infringement. In short, RAM embodiment has only one use, as the only way that a digital file can be used or read. This kind of use of a RAM embodiment is harmless, and actually helps the copyright holder. Nobody would be able to use the copyrighted work if it were not for RAM, and thus no one would purchase it.³² In the relevant case of Bly v Banbury Books Inc.,³³ the defendant ran an early form of a printer driver off a floppy disk. This entailed copying the driver into the RAM of his computer, not to a hard drive or another floppy disk. Even though there was no case law on point at the time, the defendant conceded copyright liability, leaving the court to decide only damages. The defendant's concession was a mistake. The cases offered by the plaintiff in support of liability involved copies made onto permanent storage devices, not RAM. The court even commented on the deficiency of these authorities.

The UK Copyright Act provides that copying in relation to any category of work includes the making of copies that are transient or incidental to some other use of the work. It is generally accepted as covering the loading of software into a computer's RAM and can therefore be extended to the browser on the internet which calls up a web page on the computer screen. It also covers the reproduction which occurs on the various computers and servers through which the web page travels as it threads its way across the networks to the user's machine. If this were not allowed, it would have the remarkable result that the technical basis of the operation of the internet itself is illegal.

³¹ See Matthews, Kristen J, 'Misunderstanding RAM: Digital Embodiments and Copyright', 1977, pp.2-3.

³² *Ibid.*, p.8.

³³ 638 F. Supp. 983.

There seems to be no doubt that under present UK law, browsing and caching are infringements of copyright unless, either, there is some form of licence for these acts or that they can be brought under one of the statutory permitted acts. It has been said, in relation to browsing, that this is akin to making it an infringement of copyright to read a book.³⁴

3.2.2 Can web pages be considered as literary works? Anywhere in the world, web pages are similar and they are pages of text with coded messages. This code is called HTML and each web page is created with the code.³⁵

Web pages normally comprise of text and images and can also have sound, video and databases according to the HTML code. All these can be protected under copyright law. UK Copyright law considers the composite works as separate and entitled to individual copyright. Certain conditions under Article 3 of the Berne Convention must be met before the copyright protection can be given.

Copyright protection is given to all published and unpublished works of authors who are nationals of the convention country. This includes authors who are nationals of other countries but who are habitually resident in a member state. As regards nationals of non-member countries who are habitually resident in a member state, have their works protected if they were first published in a member country or published simultaneously in the member and non-member states. Copying of literary, dramatic, musical or artistic works includes reproduction of the works in any form and covers electronic storage.

The copying and storage may be on system servers that are located in countries other than in the country of the original web page author or persons doing the copying and this obviously creates difficulties. The problem will arise if these countries might not recognised the copyright as valid and literary, dramatic, musical or artistic works must display originality to receive protection. There is no statutory definition of originality in relation to copyright. However the UK courts interpret it to mean that the work was the

³⁴ See Edwards, *op. cit.*, p. 80.

³⁵ See Williams, Robin, Tollett, John, The Non-designer's web book, 2nd Edition (Berkeley, California: Peachpit Press, 2000), p.48.

creator's own work rather than merely a copy of a pre-existing work. In this way even near-identical works can co-exist without infringing the other's copyright.

The WWW is by far the most popular application running on the internet. It allows any type of data to be arranged in a structured way in documents known as web pages. The WWW is facilitated by the use of HTML language. A key feature of HTML is the hypertext referencing system it uses. This allows users to move quickly between resources by simply clicking on a piece of text or image. These references are now more commonly known as 'links', and this will be discussed later in the chapter.

The following are the types of commercial websites on the internet;

1) Online retail and whole sale vendors:

It could be on-line mail order or an electronic presence of a more traditional company. What generates income for these sites are the sale of goods and services and they function in a very competitive environment that is concerned with the best price and quality of service.

2) The Content Providers

The ones who are responsible for supplying articles on news or specific topics, such as product reviews, to those providing downloadable audio and video, fiction and reference and other such things as streaming audio (internet radio) and streaming video (internet television). These sites compete not only on actual content but also on being user friendly and easy to navigate.

3) Information aggregators

These operate like indices or virtual magazines, which provide links to content on other websites often with a small extract of the content to which it is linked.

4) The service provider

These may vary from chat services and bulletin boards to websites hosting and even file storage.

The main income for the on-line vendor comes from the sales whereas the others would use an advertising models, a subscription model or a hybrid model between the two. A

website that attracts a lot of hits may increase the value of the advertising space because the advertisers would like to use the website to get more of an advertising audience. In the internet, the advertising is normally made through “banners”, pictures which operate as links to the advertiser’s website.

There are three general schemes where the advertising is paid;

1. Time-limited

Refers to the advertisement displayed on the page for a fixed period of time and on a fixed place on the website and the advertiser pays a fee for that.

2. Per-impression

The website owner is paid by the advertiser depending on the number of times the banner is viewed by visitors to the websites. The charge will depend on where the banner is placed on the website.

3. “Click-through” advertising

The payment made by the advertiser will depend on the number of people who click on the banner.

For those who run smaller websites advertising revenue is not that important.

The website having banner advertising on its home page attracts a premium compared with those on content pages, therefore it is interested in maximising the visibility of banners on its homepage. The priority of the subscription based content providers is to protect their content and the information as best they can. The value of their websites will be affected if they cannot offer protection because this will scare off potential subscribers and potential advertisers; the reason being, that the content can be copied by others or in the case of subscription only/pay-per-view, the content can be directly linked to, bypassing any payments or advertising.

The problem that the income stream of subscription content providers and aggregators face is from the less expensive content providers and aggregators who would normally “cut and paste” content from other websites and put it on their own website. Therefore, if possible, to stop aggregators from linking directly to their articles or content, some websites would like to do this because it will stop users from getting access to the

original content provider and therefore avoiding all the advertisements on the homepage.³⁶

A way of measuring the popularity of a web page is to look at the number of times a web page is visited by users and by looking at the number of times the web page is downloaded. People have to be aware of particular websites so that they can visit them

and then only the particular websites will generate hits. Some users would link to the web page if they think that the web page is of their interest. The web crawler would make an index to the web pages through the internet by subject matter and when a particular subject is typed in the search engine it will then produce many hyperlinks to web pages on a similar subject. If many people link to the particular webpage then that web page will be considered as useful and have a higher ranking and it will then attract even more people to visit it.³⁷

It seems that only a few would deny that World Wide Web pages fall within the ambit of copyright protection. It appears that the text of the web page is protected as a literary work, and images are also protected as artistic works, whereas any linked sound or video files are protected as sound recordings or films and the whole protected as a compilation. Therefore it is an infringement of the copyright of the work or works if copies are made of the whole or a substantial part of any web page.³⁸

The basic idea behind people placing material on websites is that they want others to get access to it. Similarly, in the case of material in the newsgroups that can be downloaded by others if there is consent from the author of the work. Although the author himself posted the material on the website that does not mean that he has consented to other people copying it. Otherwise he can clearly state that he consented to anybody who wants to use it provided it is not profitable in nature. Or it could state that it may be reproduced subject to an acknowledgement, but not otherwise. At other times, nothing is said explicitly, and the scope of the implied permission must be inferred from the circumstances. Be that as it may, it is fairly obvious that the automated parts of the

³⁶ See Evans, Mark D, 'Protection of data on the internet', 2002 *I.P.Q.*, pp. 54-56.

³⁷ *Ibid.*, p. 61.

³⁸ See Reed, Chris, 'Controlling World Wide Web Links: Property Rights, Access Rights and Unfair Competition', available online at <http://www.law.indiana.edu/glsj/vol16/no1/reed.html>.

internet system cannot discriminate in such matters, and when caused to reproduce the work they will do so blindly.³⁹

3.3 Linking

The World Wide Web on the internet has a significant feature in that the user is able to link to other sites through hypertext. Normally, the users of the internet will be able to connect to other websites by clicking the underlined and highlighted words, images or logos.⁴⁰ The Web name was originated from the links that used to gather the information together; for instance one website may contain links to other website. The link that the user chooses will get the document and present it to the user and these documents are tied together by the active link which is known as hypertext.⁴¹ The interlinked pieces of text in the hypertext can be scrolling windows, files or smaller bits of information and each unit of information is called a 'node'. Each of the nodes has pointers to other units and these pointers are called links.⁴²

The web is very appealing to users, mostly due to it being an interactive medium in which a user may easily 'jump' from one website to another by using the hyperlinks. Hyperlinks are essential to the web, in the sense that they allow a user to branch out to web pages and enables them to quickly get the information required, without the hassle of doing new title searches.⁴³ The function of the hypertext link is as a pointer from a place in a document to another destination and this destination is in a different document. It can also be a resource other than a document for instance an external image, a video clip or a sound file.⁴⁴ In other words, when a web user clicks on a link, this sends a command to the web browser software to call up a new website. By using

³⁹ See Laddie, *op. cit.*, p.1665.

⁴⁰ See Computers, copyright and the internet, available online at http://www.pof.com.au/news/computers_copyright_and_the_internet.htm. (accessed 23.01.01)

⁴¹ See Yeager, nancy J., McGarth, Robert E, The Advanced Guide for World Wide Web Information Providers, (Morgan kaufman Publishers Inc., San Francisco, California, 1996), p.9.

⁴² See Nielson, Jakob, Multimedia and hypertext, the internet and beyond, (Cambridge: AP Professional, 1995), p.2.

⁴³ See Kuester, Nieves, Kayden, Risley, 'What The Hype About Hyperlinking?' available online at <http://www.tkhr.com/article/hyper.htm>.

⁴⁴ See Ford, Andrew, Spinning the web. How to provide information on the internet, (London: International Thomson Publishing, 1995), p. 46.

links, the user may easily access different pages and different sites anywhere in the world.⁴⁵

A link is actually an embedded electronic address that 'points' to another web location. There are at least two different types of links. Firstly, there is 'out link', which provides a vehicle that allows a user browsing a web page to go to another website by merely clicking on the link. The electronic address of the destination site is stored in the out link, and by clicking on the link, that address will be sent to the browser, which in turn moves the user to the new destination site. Secondly, there is the 'in-line link' a kind of pointer to a document, image, audio clip, or the like, somewhere on the web and contained in another web page, which in effect pulls in the image, text or audio clip from the other web page into the current document for display. Thus a person who is looking at A's web page will also see on that particular page, images, text or an audio clip that are actually 'pulled in' from B's web page.⁴⁶

A 'deep link', however, is a hyperlink that bypasses a website's home page which contains information and advertisements, and goes directly to the internal page. Thus the websites may lose income due to the fact that their revenues are often tied to the number of viewers who pass through their homepage. Some businesses disapprove of this practice because, by bypassing the homepage, the user might be misled and think that the two sites are associated or endorse each other.⁴⁷

Businesses that dislike their valuable content being associated with other websites have challenged some linking practices, not only under copyright, but also under trademark, defamation, invasion of privacy and other laws. Nevertheless, since linking is crucial to the functioning of the World Wide Web, many users take the view that such a restriction is a violation of the right to travel and speak freely in cyberspace.⁴⁸

Although linking seems as simple as a mere clicking of the mouse, it has raised many legal problems as to whether the process of linking from one web page to another can be

⁴⁵ See 'Hypertext Links: Are They Legal?' available online at <http://www.rmmb.co.nz/updates/ipdec96.htm>.

⁴⁶ See Hayes, David L, 'Advanced Copyright Issues on the Internet', available online at http://library.findlaw.com/script....tellectual%20property_copyright.

⁴⁷ See Stim, Rich, 'Linking, Framing and Inlining', available online at <http://www.nolo.com/encyclopedia/articles/ilaw/linking.htm>.

⁴⁸ *Ibid.*

considered as an act of copyright infringement. Thus knowledge of how linking actually works is very significant in order to determine whether there is an act of infringement of copyright. As mentioned above, linking has been challenged under other laws, such as defamation, trademark, and so forth, but the discussion in this chapter will be confined to copyright issues. Linking has been given a lot of attention because of its potential to become copyright infringement. In determining whether the rights under the UK Copyright Act of 1988 have been infringed, it is necessary to consider some preliminary issues.

3.3.1 Web links as literary works

A link that connects one web page to another consists of two parts. Firstly, the text, which is displayed on the viewer's screen and is normally underlined with a title which is often given to the page by its author, and secondly the URL, that is the address from which the linked-to page can be obtained, which is not normally displayed. It is interesting to note that these links might concern copyright in different ways. For instance the page title and the URL might be protected as a literary work, or the combination of the two might be a compilation and thus protected as literary works.

In The Shetland Times v The Shetland News⁴⁹ case for instance only the words 'headlines text' were produced by traditional authorship methods by an author deciding what combination of words to use as the page's title. The question here is what circumstances might qualify the title given to a web page by its writer as a literary work.

It seems that United States copyright law is clear on this point. Section 102(b) of the Copyright Act 1976 states that;

"in no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle or discovery regardless of the form in which it is described, explained, illustrated or embodied in such work."

Hence from this, as a general rule, titles of works and also the short phrases from slogans attract no copyright protection unless they display a minimal level of creativity sufficient to take them outside section 102(b).

⁴⁹ 1997 FSR 604.

Moreover, due to the fact that the title text element of a link is largely functional and acts as a label that identifies to the viewer the work that can be accessed via that particular link, it will only be protected by copyright if it exhibits a higher level of originality than is normally required for literary works. Although UK law does not contain any express section that is similar to section 102 (b) of the United States copyright law but its effect is largely the same.

Under section 3(1) of the UK CDPA of 1988, a literary work is “any work other than a dramatic or musical work, which is written, spoken or sung...” A work is only eligible for protection by copyright law if it is original, which means it is not copied. However, the fact that it is original does not make it a ‘work’. To constitute a ‘work’ it must exhibit two characteristics. First, a work must contain an element of skill, judgement and labour, though not necessarily any literary merit. However, this element on its own is not enough, as decided by the Court of Appeal in the case of Exxon Corp. v Exxon Insurance Consultants International Ltd.⁵⁰ The plaintiff in this case claimed copyright to the invented word ‘Exxon’ and was able to demonstrate that substantial effort and money had been expended in inventing the word. However the court held that it did not constitute a work and therefore was not protected by copyright.

Secondly, a work must provide sufficient information, instruction or literary enjoyment to the reader. Copyright protection was denied on this ground in the Exxon case. The following were held not to be works: a trivial advertisement slogan in an advertisement consisting of four commonplace sentences,⁵¹ the title of the song used as the title of a film by the defendant⁵² and most titles of books,⁵³ newspapers⁵⁴. This issue was considered in the case of Noah v Shuba⁵⁵ where the defendant had quoted a section of the plaintiff’s work and added a seventeen word paragraph to the quotation. It was held that this paragraph could not be a work in its own right because it did not afford sufficient information, instruction or literary enjoyment to the reader. From the above, it can be deduced that the vast majority of web page titles will not amount to works. The

⁵⁰ 1982 R.P.C 70.

⁵¹ Kirk v Fleming (1928-35) MCC 44

⁵² Francis Day & Hunter Ltd v Twentieth Century Fox Corporation (1940) AC 112 at 123

⁵³ Dick v Yates (1881) 18 Ch D 76

⁵⁴ Baylis & Co (The Maiden head Advertisers) Ltd v Darlenko (1974) F.S.R 284 where the title ‘Advertiser’ was classified as descriptive.

⁵⁵ 1997 F.S.R 604.

title of a web page will rarely be a literary work, therefore its URL is even less likely to qualify.

A URL consist of the following four elements, composed at different times and assembled according to the conventions produced by the World Wide Web Consortium; (1) the HTML elements of the URL, which are common to all URLs and are not original; (2) the domain name of the web server on which the page resides, devised by the operator of that server when the domain name is registered (e.g. www.shetland-times.co.uk); (3) the directory structure of the web server (e.g., ["/stories/council/"](http://www.shetland-times.co.uk/stories/council/)), chosen by the operator for convenience of maintaining the website; and (4) the file name of the HTML file containing the web page, which might be generated automatically by the software used to create the page or chosen to reflect the content of the page. The combination of these elements requires no labour, skill or judgement. It is generally undertaken by the server software itself. This should be sufficient to prevent copyright arising under either U.S or U.K law. However, in very rare cases, the URL might nevertheless exhibit literary elements or convey information and instructions other than instruction on how to locate the page to which it refers.⁵⁶

There have been a number of cases challenging linking on copyright grounds. Shetland Times Co. Ltd v Wills⁵⁷ illustrates the harm that a link may cause to a website owner when someone else links to its site. The plaintiff, The Shetland Times ("Times"), maintained a website containing copies of articles that appeared in the printed version of its newspaper. The second defendant provided the news reporting service and trading under the name "Shetland News". The first defendant was the managing director of the second defendant. The defendants also published articles on the internet, and from about October 14 1996, the defendants included among the headlines that they published a number them that appeared in issues of the Shetland Times. The headlines used by the defendants were verbatim reproductions of the plaintiff's headlines.

The plaintiff maintained that the headlines made available by them on their web cable programmes were within the meaning of section 7 of the Copyright, Designs and Patents Act of 1988 and that the facility made available by the defendants on their websites was also a cable programme service within the meaning of Section 7, therefore

⁵⁶ See Reed, Chris, 'Controlling World Wide Web Links: Property Rights, Access Rights and Unfair Competition', available online at <http://www.law.indiana.edu/glsj/vol16/no1/reed.html>.

⁵⁷ 1997 FSR 604.

the inclusion of these items in that service constituted an infringement of copyright under Section 20 of the Act. Secondly, the plaintiff argued that the headlines were literary works owned by them and that the defendant's activities constituted infringement under Section 17 of the Act, the copying being in the form of storing the works by electronic means.

The *prima facie* case and the balance of convenience favoured granting an interlocutory injunction. The defendants submitted that there was no copyright subsisting in the headlines. The defendants further argued that the internet was not a cable programme service because the process involved in internet communication did not involve 'sending' information. However, if it did, the sending was in these circumstances not done by the plaintiff but by the defendant, and in any event, the service was interactive because the caller makes comments or suggestions below the text, enabling the caller to contact the plaintiff, and as such was excepted by subsection 2(a).

The court granted an interim injunction and stated that the plaintiff had a *prima facie* case that the incorporation by the defendants in their website of the headlines provided by the plaintiff's website constituted an infringement of Section 20 by the inclusion in a cable programme service of protected cable programmes. The view that the internet service provided by the plaintiff involved the sending of information was *prima facie* well founded. Although the information awaited access by the callers, that did not, at least *prima facie*, preclude the notion that the information was conveyed to and received by the caller. That being so, the process could arguably be said to involve the sending of that information.

Further, if the information was being sent, it was being sent by the plaintiff. The fact that the information was provided to the caller by accessing it through the defendants' website did not result in the defendants being the persons sending the information. The court also dealt with the question of whether headlines which were essentially brief references to the subject matter of the items to which they related, were protected by copyright.

While literary merit is not necessary an element of a literary work, there may be a question of whether headlines which are essentially brief indicators of the subject matter of the items to which they relate, are protected by copyright. However, in the light of

the defendants' concession that a headline could be a literary work, and since the headlines at issue (or at least some of them) involved eight or so words designedly put together for the purpose of imparting information, it appeared arguable that there was an infringement, at least in some instances of Section 17. The linking issue was also raised in the case of Bernstein v JC Penney Inc.⁵⁸ The plaintiff sued Elizabeth Arden Co. and Parfums International Lt. (collectively 'Arden') for copyright infringement based on multiple linking on the internet. The plaintiff alleged that Arden and JC Penny were liable because Arden's Passion Perfume was promoted on a JC Penny website that was 'hyperlinked' to a website operated by the Internet Movie Database (IMDB) which was in turn linked to several other websites, one of which, the Swedish University Network (SUNET), contained infringing copies of two of the plaintiffs photographs of Elizabeth Taylor, the spokesperson for Arden's perfume. The parent of Arden, Conopco, moved to dismiss the complaint on the ground that it fails to state a claim upon which relief could be granted.

Arden defended the claim, arguing that if infringement by multiple linking was established it would have a devastating impact on the internet, and that the claim should be dismissed based on the following reasons; firstly, a company whose product is merely displayed on another entity's website cannot be held liable for any infringement by the author of the website. Secondly, linking cannot constitute direct infringement because the computer server of the linking website does not copy or otherwise process the content of the linked-to-site. Finally, multiple linking cannot constitute contributory infringement on the grounds that the internet user viewing the material at issue is not infringing and thus there is no direct infringement in the US to which Arden could contribute.

Furthermore, linking is capable of substantial 'non-infringing users' and thus cannot support a claim for contributory infringement. Additionally, the court cannot infer from the facts alleged that Arden knew the photos has been posted to SUNET and multiple linking does not constitute substantial participation in any infringement where the linking website does not mention the fact that internet users could by following the links, find infringing material on another website. The court having considered the arguments ordered that Arden's motion to dismiss be granted with prejudice and the

⁵⁸ 50 U.S.P.Q.2d 1063 C.D.Cal.

plaintiff's complaint against Conopco Inc., Elizabeth Arden Co. and Parfums International Ltd be dismissed without leave to amend.

In the United States, the dispute in the case of The Washington Post Co. v Total News Inc⁵⁹ caught the attention of many internet users and addressed legal issues surrounding hyperlinking and framing. In this case, a number of news service providers (The Washington Post, Cable News Network, Times Mirror, Dow Jones and Reuters New Media) commenced a suit against Total News, Inc. ("Total News") and other defendants who were either providing website design and programming services to Total News or were principals of Total News. Total News's website was a "para-site" designed to make over 1200 news sources from all over the world available at a single site. The Total News home page frame consisted of the totalnews.com URL at the top, a column of rectangular icons with the trademarked names of several of the plaintiffs running down the left margin and advertising sold by the defendants at the bottom. On the right centre portion of the screen was a news window.

When the user first logged onto the Total News website, this window was occupied by a "compass" style array of hyperlinks to several of the plaintiffs' websites. Clicking on the links would cause material from the plaintiffs websites to be displayed in the news window but still within the Total News "frame". Thus, for example, if a user clicked on the "Washington Post" link, the news window within the Total News frame would fill with an electronic version of The Washington Post newspaper linked in from The Washington Post's own website. However, the totalnews.com URL would remain in place at the top of the frame and advertising sold by Total News would remain in place at the bottom of the frame.

Because the news window of the Total News frame was smaller than full screen in size, the effect of the framing by the defendants was to display only a portion of the original screens of material from the linked sites at any given time, and the user was forced to scroll the news window horizontally or vertically to see all of the original material from the linked sites. Thus advertisements contained on the original pages of the linked sites were reduced in size and in some cases were totally obscured by the Total News frame. At the same time, the user was continuously exposed to advertisements contained within the Total News frame. In the absence of 'framing' by the defendants described above,

⁵⁹ 97 Civ.1190 (S.D.N.Y) 1997.

someone wishing to view the content of the Plaintiffs' sites would, upon accessing those sites, see only the plaintiffs' material as the plaintiffs intend for it to be seen.

Use of the defendants' website thus resulted in continuous, prolonged exposure to the logo, URL and advertising of total.news.com. The defendants had promoted total.news.com to advertisers and to the public based entirely on the defendants' ability to republish the content of plaintiffs' sites within the TotalNews frames, including frames containing advertisements. The plaintiffs alleged that Total News infringed the copyright in various materials from the plaintiffs' websites by 'republishing' such material through the Total News site. The complaint did not state which specific rights of the copyright owners were infringed, referring instead merely to the plaintiffs' 'exclusive rights' under Title 17 of the United States Code Section 106. In June 1997, the parties settled the case pursuant to a stipulated order of settlement and dismissal. Under the settlement, Total News agreed to stop framing the plaintiffs' websites. However, the settlement permitted Total News to maintain out-links from the Total News websites to any of the plaintiffs' websites, provided that the links were only made via hyperlinks consisting of the names of the linked sites in plain text. Total News was also to make no use, as hyperlinks or otherwise, of the plaintiffs' proprietary logos or other distinctive graphics, video, or audio material.

Furthermore the links were not to imply a likely affiliation, endorsement or sponsorship by the plaintiff, or otherwise cause confusion, dilution of the plaintiffs' marks, or other violations of State or Federal law. Obviously, many observers were anxious to hear how the court would address the legal issues that arose from this case. Although it was far from conclusive, this settlement suggests that hyperlinking in a framed arrangement may be actionable under at least one of the legal claims asserted in the Total News complaints.⁶⁰

The legal issues on linking were also raised in the case of Ticketmaster v Microsoft,⁶¹ where the court had to address the question of deep linking and the implications of linking without permission from the owner of the websites. In April 1997, Ticketmaster Corporation brought an action in a Federal District Court against Microsoft Corporation, based on links from Microsoft's 'Seattle Sidewalk' website to

⁶⁰ See Kuester, Nieves, Kayden et.al, available online at <http://www.tkhr.com/articles/hyper.htm>.

⁶¹ CV 97 3055 RAP.

Ticketmaster's website. In February 1988, Ticketmaster filed a second amended complaint, which asserted claims for copyright and trademark infringement as well as for unfair competition based on various common law and state law claims. Ticketmaster maintains a website (www.ticketmaster.com) through which it sells and markets tickets to various entertainment events.

The 'Seattle Sidewalk' site, one of a number of city guides maintained by Microsoft on the Microsoft Network, offers a guide to entertainment and restaurants available in the Seattle area. Microsoft placed links on the Seattle Sidewalk to the Ticketmaster site so that users of the Seattle Sidewalk could purchase tickets to events of interest online through Ticketmaster. Negotiations between Microsoft and Ticketmaster for an agreement allowing Microsoft to profit from linking to and association with Ticketmaster's website failed, and Microsoft established the links which in several instances bypassed the homepage of the Ticketmaster site without permission from Ticketmaster. Ticketmaster also asserted claims of copyright infringement based on the allegations that (i) in creating links to the Ticketmaster site, Microsoft repeatedly viewed, and thus copied onto its own computers, the copyrighted contents of Ticketmaster's websites and (ii) in the operation of the links, Microsoft was reproducing, publicly distributing, and displaying without permission, Ticketmaster's copyrighted website material.

In Microsoft's answer to Ticketmaster's complaint, Microsoft alleged that Ticketmaster could not complain about Microsoft's link to Ticketmaster's homepage because Ticketmaster knew when it set up its website that owners of other web pages would create such links. Microsoft noted that when an event requires tickets, Microsoft routinely provides information about how to obtain them, including prices, telephone numbers and, where appropriate, hyperlinks to relevant web pages. Microsoft alleged that such information is freely available to the public and is not proprietary to Ticketmaster.

Microsoft asserted numerous defences including (i) that Ticketmaster when it chose to set up its web pages assumed the risk that others would use its name and URLs; (ii) that Ticketmaster is estopped from complaining about Microsoft's link because Ticketmaster encourages users to seek out its website and refer others to the site (iii) and that Microsoft's presentation of information about Ticketmaster on its Seattle

Sidewalk site is commercial speech protected by the First Amendment. Microsoft and Ticketmaster ultimately reached a settlement, pursuant to which Microsoft was permitted to link to the Ticketmaster site but not through links that bypassed Ticketmaster's homepage.

In another relevant case; Intellectual Reserve Inc. v Utah Lighthouse Ministry Inc.,⁶² the plaintiff was the owner of the copyright of a Mormon Church work entitled the "Church Handbook of Instruction" (the Handbook). After the defendant was ordered to remove copies of the Handbook from its websites, the defendant posted a notice on their website stating that the Handbook was online, and posted three links to the other website addresses where the Handbook could be found. The plaintiff sought to hold the defendant liable for inducement of infringement and contributory infringement. The plaintiff claims that unless a preliminary injunction issues, the defendant will directly infringe and contribute to the infringement of its copyright in the Church Handbook of Instruction ("the Handbook"). The defendant did not oppose a preliminary injunction but argued that the scope of the injunction should be restricted to only prohibit direct infringement of the plaintiff's copyright.

The court granted the plaintiff's motion for a preliminary injunction. The plaintiff alleged that the defendant infringed its copyright directly by posting substantial portions of its copyrighted material on the defendant's website and also contributed to the infringement of its copyright by inducing, causing, or materially contributing to the infringing conduct of another. To determine the proper scope of the preliminary injunction, the court considered the likelihood of the plaintiff succeeding on either or both of its claims. To succeed on its claim of direct copyright infringement, the "plaintiff must establish both that it possesses a valid copyright and that the defendant 'copied' protectable elements of the copyrighted work".

The court found that the plaintiff owned a valid copyright on the material that the defendants posted on its website and the plaintiff had also provided evidence of a copyright registration certificate. Therefore the court found that there was a substantial likelihood that the plaintiff would succeed in its claim of direct infringement.

⁶² 75 F. Supp.2d 1290.

As regards contributory infringement according to the plaintiff, after the defendant was ordered to remove the Handbook from its website, the defendant began infringing the plaintiff's copyright by inducing, causing, or materially contributing to the infringing conduct of others. It was undisputed that defendant placed a notice on their website that the Handbook was online, and gave three websites addresses of websites containing the material that the defendant was then ordered to remove from its website. Defendant also posted e-mails on its website that encouraged the browsing of those websites, printing copies of the Handbook and sending the Handbook to others. The defendant argued that it had not contributed to copyright infringement by those who posted the Handbook on websites nor those who browsed the websites on their computers. The evidence before the courts indicated that there was no direct relationship between the defendant and the people who operate the three websites. The defendants did not provide the website operators with the plaintiff's copyrighted materials, nor was the defendant receiving any kind of compensation from them. The only connection between the defendant and those who operate the three websites appeared to be the information the defendant had posted on its website concerning the infringing sites.

Based on this evidence, the court concluded that the plaintiff had not shown that the defendant contributed to the infringing action of those who operate the infringing websites. The court also considered whether the defendant's actions contributed to the infringement of the plaintiff's copyright by those who browse the three websites. The evidence established that the defendant had actively encouraged the infringement of the plaintiff's copyright. After being ordered to remove the Handbook from their website, the defendant posted on their websites; "Church Handbook of Instructions is back online!" and listed the three website addresses. The defendant also posted e-mails suggesting that the lawsuit against the defendant would be affected by people logging onto one of the websites and downloading the complete handbook. In response to an e-mail stating that the sender had unsuccessfully tried to browse a website that contained the Handbook, the defendants gave further instruction on how to browse the material. At least one of the three websites encouraged the copying and posting of copies of the allegedly infringing material on other websites.

The court ordered the following injunction: firstly the defendant, its agents and those under its control, shall remove from and not post on the defendant's website the material alleged to infringe the plaintiff's copyright. Secondly, the defendant, its agents

and those under its control shall not reproduce or distribute verbatim, in a tangible medium, material alleged to infringe the plaintiff's copyright. Thirdly, the defendant, their agents and those under its control, shall remove from and not post on the defendant's website, addresses to websites that defendant know or has reason to know, contain the material alleged to infringe the plaintiff's copyright. In the case of Ticketmaster Corporation v Tickets.Com Inc.,⁶³ the website of plaintiffs Ticketmaster Corporation and Ticketmaster Online-CitySearch, Inc. (hereafter referred to collectively in the singular as "Ticketmaster") operated to allow customers to purchase tickets to various events (concerts, ball games, etc.) through an internet connection with its customers. On the Ticketmaster homepage, there were instructions and a directory to subsequent pages (one per event). The event pages provided basic information (short description of the event, date, time, place and price) and a description of how to order tickets by either internet response, telephone, mail, or in person. Each of these subsequent pages were identifiable with an electronic address. The home page further contained (if a customer scrolls to the bottom) "terms and conditions" which prescribe, among other things, copying for commercial use.

However, the customer need not view the terms and conditions to proceed straight to the event page which interests him. Ticketmaster has exclusive agreements with the events it carries on its web pages so that tickets are not generally available to those events except through Ticketmaster (or reserved for sale by the event itself or available from premium ticket brokers who generally charge higher than face value). Tickets also operates a website (Tickets.com) which performs a somewhat different ticketing service. While Tickets does sell some tickets to certain events on its own, it also provides information as to where and how tickets which it does not sell may be purchased. A short factual description as to event, time, date, place and price is listed. Where Tickets does not itself sell the tickets, the customers are given a place to click for a reference to another ticket broker, or to another on-line ticket seller. This demonstrate the unique feature of hyperlinks or deep linking. When the customer clicks on "Buy this ticket from another on-line ticketing company", the customer is instantly transferred to the interior web page of Ticketmaster (bypassing the home page) for the particular event in question where the customer may buy the tickets (from Ticketmaster, not Tickets) on-line. An explanation is generally given by Tickets as follows: "these tickets are sold by another ticketing company. Although we can't sell them to you, the link above will

⁶³ 2000 WL 525390 (C.D.Cal.).

take you directly to the other company's website where you can purchase them." The interior web page contains the Ticketmaster logo and the customer must know he is dealing with Ticketmaster, not Tickets. In order to obtain the basic information on Ticketmaster events, Tickets is alleged to copy the interior web pages and extract the basic information (event, place, time, date and price) from them. That information is then placed in Tickets format on its own interior web pages. Tickets no longer (if it once did as alleged) merely copies the Ticketmaster event page on its own event page.

However, by the use of hyper-linking (i.e. electronic transfer to the particular numbered interior web page of Ticketmaster), the customer is transferred directly to the Ticketmaster interior event page. The court denied a motion by Tickets.com to dismiss the copyright infringement claim, ruling that although the factual data contained on Ticketmasters' internal pages could not be protected by copyright, the allegation of the copying of Ticketmasters' internal web pages in order to extract the factual data was sufficient to raise a valid claim for copyright infringement. The court also stated that hyperlinking does not itself involve a violation of the Copyright Act since no copying is involved. The customer is automatically transferred to the genuine web page of the original author. There is no deception in what is happening. This is analogous to using a library's card index to get reference to particular items, albeit faster and more efficiently. Five months later, the court issued another opinion that denied a motion for a preliminary injunction brought by Ticketmaster. With respect to the copyright claim, the court noted that Ticketmasters' internal web pages were copied only temporarily, for 10-15 seconds, in the course of extracting the factual information from those pages. The factual information was then presented by Tickets.com to its users in a different format from how that information appeared on Ticketmasters' site. The court ruled that the plaintiff was not entitled to a preliminary injunction on copyright grounds because the temporary copying for purposes of extracting the factual information from Ticketmasters' internal web pages was likely to be of fair use.

In MP3Board Inc. v Recording Industry Ass'n of Am.,⁶⁴ the plaintiff, MP3Board, filed a lawsuit in June 2000 in the Northern District of California against the Recording Industry Association of America (RIAA) seeking a declaration as to; "its right to employ automated hypertext linking for the advancement and promotion of independent musician and music distributors". The complaint alleged that MP3Board provided

⁶⁴ C-00 20606 RMW p.1 (N.D. Cal. Jun. 2, 2000).

resources for independent music producers and distributors to develop and market their musical creations over the internet, through the use of automated search engines that index, in a mass way, publicly accessible websites on the World Wide Web offering musical materials and generating lists of hypertext links. In this way the visitors to the MP3Board website can be automatically referred to materials posted on publicly accessible websites related to music and music files, including, but not limited to, 'MP3' type files". MP3Board does not control or monitor the publicly accessible websites or the materials posted thereon.

The MP3Board site compiled and reported on the music files mostly frequently downloaded by its visitors and displayed links to Amazon.com and other retailers where compact discs could be purchased. MP3Board contracted with Amazon.com to access and display images of the covers of compact discs offered for sale on Amazon.com. The RIAA sent a series of demand letters to MP3Board's internet service providers demanding that the providers remove MP3Board's site, because it was linking to unauthorised recordings copyrighted by RIAA's member companies. As a consequence of the demand letters at least two of MP3Board's Internet service providers interrupted service to MP3Board. MP3Board sought a declaration that link-related activities did not by themselves constitute copyright infringement, even if the destination of the link was to a website containing infringing materials, and that both it and its service providers were covered by the safe harbour of Section 512(a) through (d) of the DMCA. This concerns hypertext linking, automated indexing of hypertext links, automated generation through a search engine of a list of hypertext links and reporting to visitors a list of hypertext links obtained through automated searching and indexing and through a search engine. MP3Board also sought an injunction against the RIAA demanding that MP3Board remove its site or links from the internet or cease the display of album cover art, and that any of its service providers do the same.

Three weeks later, member companies of the RIAA filed a complaint against MP3Board in the Southern District of New York for contributory and vicarious copyright infringement. The complaint alleged that, in creating categories of music on its site, MP3Board created a genre entitled 'Legal MP3s', thereby admitting that the remaining material on the site was illegal and that many of the links posted on the site openly stated that the music was pirated, including such names as "SuperIllegal MP3z", "Free Illegal MP3 Files Direct Download" and "The Biggest Archive of Illegal MP3 Flz."

The complaint alleged that MP3Board encouraged piracy of musical recording through the following activities;

- Encouraging users, at the top of the homepage, to post links to be included in MP3Board's extensive network of links to unauthorised MP3 files, promising in exchange "awesome traffic" to their own websites.
- Providing a step-by-step online tutorial on how to search for and download MP3 files and how to transfer the downloaded files onto blank CDs and from CDs back to the Web.
- If a user experienced difficulty locating a particular MP3 file, providing a message board on which the user could post a "request" for the file and then if third-party sites fail to locate the desired file in response to the request, combing through the web and posting a link to the file.
- Featuring multiple "archive" sorting MP3 links alphabetically as well as various other listings of links to MP3 files featuring pirated copies of the day's most popular music.

The complaint further alleged that, to all outward appearances, users never left the MP3Board site, as connections to distant files were generally framed entirely in the MP3Board's "Direct Download" screen. Alternatively users could download MP3 files via a direct link to "FreeDrive", a third party provider of Web-based storage that supplied 50 megabytes of free online disk space to subscribers. The complaint sought statutory damages of \$150,000 for each copyrighted work infringed and an injunction against directly infringing any of the plaintiffs' copyrights. MP3Board brought a motion in the Northern District of California for an interim injunction to prohibit the RIAA companies from proceeding with the action in the Southern District of New York. The RIAA companies argued, in turn, that MP3Board's action should be dismissed from the California court on the grounds that it should not be entitled to the benefit of the "first-to-file" rule because it was an "anticipatory declaratory relief action" and because the individual member companies of the RIAA were not added as defendants until after the New York action was filed. The court agreed that the identity of parties should generally be required for the first-to-rule to apply, and that that rule should not apply to an anticipatory declaratory relief action designed to preempt the record companies from selecting a forum for their infringement suit. Accordingly, the court granted the defendants' motion to dismiss the California case, but granted MP3Board 45 days leave

to amend its affirmative claims against RIAA if it could do so in good faith. In the meantime, MP3Board had filed counterclaims against the RIAA member companies in the New York proceeding. The issue of linking in the UK is still a problem because there is no specific provision on it. However under Section 16(2) of the CDPA of 1988, the copyright owner can authorise another person to any of the works restricted by copyright. It could be argued, though, that in the case of deep linking the person who created the link authorises others to link it to their website. It can also be argued that it falls under the permitted act under Section 28A where linking from one home page to another has no economic advantage. If there is an economic advantage, it might well be a different matter.

3.4 Framing

It is common practice for designers of the websites to make the site more attractive to the user by bordering or framing linked text. The actual 'owner web' page can be divided into a number of real-time frames so that the site owner's proprietary text and material is displayed alongside third party material which is linked to and thereby displayed on the owner's site. Framing is no doubt attractive from the marketing and commercial perspective for the site owners. The web designer is able to divide a browser's window into frames which are independent of each other because the function of the frame itself has makes it possible to do so.⁶⁵

A web page can have a static index bar down the side, and also on top of a web page a static title, so that users can view different contents and so that there is no need to copy them at every page. The target of the frame may come from another website and may not belong to the same website. Because of this, the other websites that are not originally from the framing site, will look like they are from there. This will also make the websites that are not originally from the framing site look unimportant, because they appear in the framing site along with other websites instead of in its own original website. This is why website operators try to stop people from framing their websites. At present there are no cases on framing sites in the UK. Hence reference will be made to the US cases.

⁶⁵ See Ezor, Jonathan I, 'Avoiding trademark, copyright infringement', available online at <http://adage.com/interactive/articles/19961209/article8.html> (accessed 24.1.01).

The Digital Equipment Corporation v Altavista Technology Inc.,⁶⁶ case is one of the first cases that concerns framing. Altavista was sued by Digital for changing its website so that it looked exactly like Digital's website and by framing the search engine page it also has a similar search functionality. The injunction was granted on the grounds that Altavista had a limited licence from Digital to utilise the Altavista trademark, but by framing Digital's web page they had acted outside the terms of their licence, and thus had infringed Digital's trademark. Some academics question the usefulness of this case, due to the pre-existing relationship of the two parties and the (mainly legal) utilisation of the same name.⁶⁷

The technique of framing that makes multiple frames on the computer screens were used by the web designer to make the frames function independently. In this way any information downloaded into one frame fills up only that frame and does not overwrite the contents of the other windows.

The framing issue was discussed in the Washington Post company v TotalNews Inc⁶⁸ case. This was the first case to challenge framing as a copyright infringement. The facts of the case have been discussed earlier in this chapter, under the legal issues concerning linking. However, in this part of the chapter, the facts relating to framing will be discussed. The defendant in this case had divided its web page into four independent windows. A vertical frame on the left-hand side included the names of eight different news services. In the lower left-hand corner was a small, rectangular frame that contained the Totalnews logo, while the frame along the bottom of the screen was set aside as advertisement space which TotalNews sold to generate revenues. The fourth and largest frame which was in the right-center part of the screen was the news window. When a user choses a particular news service by clicking on its hyperlink, the contents of that site were displayed there. Because the frame did not fill the entire computer screen, the linked-to news service did not take up the whole screen, as it would have had frames not been used. This was what the plaintiffs protested against. While the linked-to news service was displayed in the news frame, advertisements sold by TotalNews were simultaneously displayed in the advertisement frame. Furthermore, the TotalNews URL, and not the URL of the actual news source, appeared in the address portion of the

⁶⁶ 960 F.Supp.456 (D. Mass.1997).

⁶⁷ See Evans, Mark D, 'Protection of Data on the Internet', 2002, *I.P.Q.*, pp. 64-65.

⁶⁸ 97 Civ.1190. (S.D.N.Y) 1997, <http://legal.web.aol.com/decisions/dlip/washcomp.html> and http://people.hofstra.edu/faculty/peter_j_spiro/cyberlaw/totalset.html

user's Web browser. In short, TotalNews used frames to surround the copyrighted news services with its own logo, URL and paid advertisement. The parties eventually agreed to make a settlement out of court and the defendant also agreed to stop framing the plaintiffs' websites.

Nonetheless, displaying identification materials alongside materials from other websites may also create some problems. For instance website A may display some images from website B within frames containing its own materials and with its own URL or domain name displayed at the top of the screen. These images from other websites are loaded from the source site and are not actually copied. Nevertheless, it may be quite difficult for the web user to be able to tell that some materials on the screen originate from a different server to those on the rest of the page.⁶⁹

In another relevant case of Futuredontics Inc. v Applied Anagramics Inc.,⁷⁰ the plaintiff Futuredontics Inc. ("Futuredontics") filed a complaint against the defendant who was framing material from Futuredontics' website in the defendant's website. The frame displaying Futuredontics' website material included the defendant's logo, information on the defendant, and links to the defendant's other web pages. Futuredontics claimed that such framing constituted the creation of an infringing derivative work. The defendant moved to dismiss the complaint for failure to state a claim, arguing that its frame should be viewed as merely a "lense" which enable Internet users to view the information that Futuredontics itself placed on the Internet.

The court denied the defendant's motion, ruling that the existing authority did not resolve the legal issue, and Futuredontics' complaint therefore sufficiently alleged a copyright infringement claim. Interestingly, however, the court had previously denied Futuredontics' motion for a preliminary injunction, ruling that Futuredontics had failed to establish a probability of success. In 1998, in an unpublished opinion, the Ninth Circuit affirmed the District Court's rejection of the interim injunction. The Ninth Circuit found that Futuredontics had presented no evidence whatsoever of any harm from the defendant's framed link to its site. In addition, the Ninth Circuit ruled that "Futuredontics" claim, that the AAI framed link falsely implied that AAI not

⁶⁹ See Hypertext Links: Are They Legal? Available online at <http://www.rmmb.co.nz/updates/ipdec96.htm>.

⁷⁰ 45 U.S.P.Q. 2d 2005 C.D.Cal 1998.

Futuredontic is responsible for the success of Futuredontic's dental referral service, even if true, is not tied to any tangible loss of business or customer goodwill.

Liability for authorising infringement may also arise when a website owner provides visitors to the site with access to copyright material on another site, for example by hypertext links. There is unlikely to be liability on the website owner where the link is to a legitimate site but the visitor acts in an unauthorised way, for example by copying material onto his hard disk despite having notice that this is not authorised. Liability is more likely when the link is to a site which is known or believed to carry pirate software or other unauthorised material.

There has been an increasing number of cases in which linking to unlawful material has been enjoined, although none in the United Kingdom. In the U.S. DeCSS case, concerning the publication on a website of software alleged to allow users to decode DVD disc, part of the judgment concerned the defendant's links to other sites carrying the software. The judge had to decide whether creating such links amounted to "offering DeCSS to the public" or "providing or otherwise trafficking in it", within the DMCA.

The defendants' links were of three types: (1) links to a web page on an outside site that does not itself contain a link to DeCSS file, with or without other text and links; (2) links to a web page on an outside site that does contain a link to DeCSS, with or without other text and links; and (3) links to a DeCSS file on an outside site that automatically starts to download without further user intervention. As to the second type, substantially the same was held to be true of the defendants' hyperlinks to web pages that displayed nothing more than the DeCSS code or presented the user only with the choice of commencing a download of DeCSS and no other content. The only distinction was that the entity extending to the use of the option of downloading the program was the transferee site rather than the defendants, which the court held to be "a distinction without a difference". However, there is no provision on framing in the CDPA and also the EU Information Society Directive.

3.5 Caching:

The word caching is etymologically related to the French 'cacher' which means 'to

hide'. It is actually the automatic creation of temporary copies of digital data (in a 'cache') so as to make the data more available for subsequent use.⁷¹ A cache is a storage area that keeps frequently accessed data or program instructions readily available to the user in order to save retrieving them repeatedly from slow storage. Caching makes the information easier to retrieve by storing data or instructions in faster sections of memory and using efficient design to increase the likelihood that the data needed next is available in the cache.⁷² Basically, caching assists users to access websites and its main purpose is to speed up repeated access to data and also to help reduce network congestion.⁷³

Cache memory is meant to give memory speed approaching that of the fastest memories available and at the same time to provide a large memory size at the price of less expensive types of semiconductor memories. Together with the large and slow memory, there is also the smaller and faster cache memory. Cache in fact contains a copy of a portion of the main memory. Every time the processor attempts to read a word of memory then a check is made to determine if the word is in the cache. If the word is available in the cache it will be sent to the processor. Otherwise a block of main memory, which consists of some fixed number of words, is read into the cache and the word will be conveyed to the processor.⁷⁴

The client users may request the more demanding copies of some resources from the host quite a lot and the host has to request for them constantly. In order to avoid network traffic, cost as well as time, the host store a copy of the highly demanding resource on its server and fulfils the requests of users by giving them a copy of that resource. It is based by the number of requests made by the users, that the software would automatically make a decision to cache a resource. This is not a decision made by the host operator.⁷⁵

⁷¹ See Hugenholtz, P. Bernt, 'Caching and Copyright: The Right of Temporary Copying', 2000, E.I.P.R., p. 482.

⁷² See Pfaffenberger, Bryan, Wall, David, Que's Computer & Internet Dictionary, 6th edition, (Indianapolis, U.S: Que Corporation, 1995), p.70.

⁷³ See Lai, Stanley, The Copyright Protection of Computer Software in the United Kingdom, Oxford-Portland Oregon, Hart Publishing, 2000), p. 235.

⁷⁴ See Stallings, William, Computer Organization and Architecture, 5th edition, (New Jersey: Prentice Hall, 2000), p. 117.

⁷⁵ See Reed, Chris, Internet Law Text and Materials, (London: Butterworths, 2000), p. 19.

It is better to check whether the document is available locally and use the copy whenever the user clicks on the anchor instead of using the one on the originating web server. It is hard to anticipate what documents will be selected otherwise it might be possible to have these documents available locally when requested by the users. However, it is not possible to do that, and what can be done is to save the documents that have been requested by users hoping that they will be requested again.⁷⁶

Whenever the central processing unit (CPU) makes a request for the data or instructions the cache controller will intercept the request and handle the delivery from random-access memory (RAM). It is the cache controller that determines where a copy of the just-delivered data is stored, when to fetch data or code from adjacent addresses in RAM in case it is needed next, where is the appropriate place to store this new data in the cache, and also decides which data to discard if the cache is full. It should be noted that the cache controller keeps an up-to-date table of addresses of everything it is holding.

The communications pass through the memories of a series of computers from which it follows that it is a feature of the internet that each computer makes a copy of the material (even if it be merely transient) and does so, not at the instigation of the server's owner, but of the client whose owner wanted the material in the first place. The material is pulled into the server's memory. The same item may repeatedly be requested by many clients. It is common for ISP servers to automatically save any item that has been requested and do so for a substantial period, if it is wanted again.

This is called caching, and cached material is actually a copy, and it is not the ISP which chooses the work to be copied. A server receives thousand of requests every day, and because of the volume of the traffic, the person who is in charge of it cannot censor instantaneously the data in the memory, although he or she could censor material or block piratical sites if he or she were given reasonable notice. In much the same way other Internet Communications, such as e-mails, pass into the memory of servers which

⁷⁶ See Yeager, Nancy J, McGarth, Robert E, The Advanced Guide for World Wide Web Information Providers, (Morgan kaufman Publishers Inc., San Francisco, California: 1996), p. 192.

therefore contain copies thereof but, rather like letters sent through the Post Office, those who operate the servers have little or no control over the content.⁷⁷

There are two types of caching: local caching and proxy caching. Local caching happens at the end user's computer, locally, either in RAM, on the hard disk or a combination of the two. Most browsers store visited web pages in RAM or on the hard disk. If the "back" key is pressed the browser will retrieve the previous page from the cache rather than downloading the page again from the original site. The retrieval from cache is much faster and avoids burdening the network with extra downloads. Caching that happens at the server level is known as proxy caching. A copy of material from an original source is stored on a server other than the original server. Because of its nature of making copies, caching has created an issue in copyright and might infringe the reproduction right.⁷⁸

In the WWW the web cache which is a computer with vast storage capacity that holds copies of the most popular pages. The users can be saved the delay of gaining access to the over-burdened site if this cache is located on the local network. It also means that the network can restrict access to the internet, thus reducing the risk from hacking and viruses. Commercially, a web cache may be unwelcome for a website owner. Few companies publish on the web out of charity: they wish to advertise, to sell and to find the demographics of those who visit their site. A web cache hides this information from companies. Companies whose website are cached are unable to establish exactly how many people are visiting their site, and they cannot find out who makes up their audience.

These statistics are one of the aspects of the internet that are so attractive. Caching can also affect companies whose income comes from selling advertising spaces on their pages. To increase this income, these companies often show a different advertisement each time the site is viewed: they roll a number of adverts. This multiplies each page's earnings. Unfortunately, the caching computer stores just one copy of the popular pages. So there will be only one advertiser who getting their money's worth. Clearly, then, these companies have a commercial objection to caching. Caching a web page is certainly copying a substantial part of a copyright work. If the site cached has an

⁷⁷ See Laddie, Prescott, Vitoria, The Modern Law of Copyright and Designs, (London: Butterworths, 2000), p. 1664.

⁷⁸ See http://library.findlaw.com/script...tellectual%20property_copyright_1, pp.50-51.

explicit licence that prevents such copying, that may be the end of any inquiry of infringement.

If the licence restricts the storage of the site for access of others, the controller of the caching server may be a primary infringer of copyright. If the site has no express licence it will be difficult for the owner of the web cache to imply an appropriate licence to permit the copying.⁷⁹ Caching speeds up access to web material, but is not technologically indispensable to browsing. It is a tool of convenience, not necessity. As a function caching can be disabled. This carries ramifications for the exception to the reproduction right as proposed in the EU Directive and the potential application of the implied licence.⁸⁰

In Europe, Article 5(1) of the Information Society Directive provides the mandatory exception. This provision exempts from the owners' reproduction right the "temporary acts of reproduction ..., which are transient or incidental, which are an integral and essential part of a technological process, whose sole purpose is to enable

- (a) a transmission in a network between third parties by an intermediary or (b) a lawful use of work or other subject matter to be made and which have no independent economic significance." It appears that this provision would allow certain forms of caching without the right owners' authorisation.

The UK adopted Article 5(1) of the EU Information Society Directive and the Amendment Act has inserted section 28A that provides for making the temporary copies:

"Copyright in a literary works, other than a computer program, database or in a dramatic, musical or artistic work, a sound recording or a film, is not infringed by the making of a temporary copy which is transient or incidental which is an integral and essential part of a technological process the purpose is to enable a transmission of the work in a network between third parties by an intermediary or a lawful use of the work which has no independent economic significance."

Therefore, it is submitted that this section above covers the issue on caching.

⁷⁹ See Gringras, Clive, *op. cit.*, pp. 205-206.

⁸⁰ See Lai, Stanley, The Copyright Protection of Computer Software in the United Kingdom, (Oxford-Portland Oregon, Hart Publishing, 2000), p. 237.

3.6 Conclusion:

The internet creates a lot of legal questions mainly due to its unique nature and the fact that there is no existing law suitable for governing the internet activities. Some internet activities have affected the concept of copyright law. Many new legal challenges arise out of the internet and the selected legal issues discussed in this chapter are among the issues that have caused most concern among copyright owners, and on-line copyright owners have had to face various legal problems. Owners of copyright for on-line material are concerned as to how their works are being used and are determined to protect them.

The legal issues on accessing web pages and caching involve the making of transient copies that clearly affect the reproduction rights of copyright owners. Similarly, linking and framing have raised legal problems as to whether the process of linking and framing can be considered as an act of infringement. There are many cases related to these selected legal issues and all of them have been discussed in this chapter and have demonstrated how important these legal issues are and the fact that the law has to find ways to solve them. The copyright law at international, regional and national levels regarding these legal issues will be analysed in the next chapter.

Chapter 4

Copyright Law and The Internet: International, Regional and National levels

4.1 Introduction

Every society is bound by a certain kind of complicated system of rights and responsibilities. In fact these rights and responsibilities specify the rules that apply not only to the members of the society but to the states as well. This process reveals the true character of society itself. These rights and responsibilities of society are certainly influenced by other factors such as political, economic, social, cultural, philosophical and technological developments.¹

Much attention has been given to the term “information society” but what exactly does this term mean? According to Marett (1996), “information society is one of those rather vague concepts regarding which everyone knows what it means and nobody can define. It is perhaps enough to say that the information society is a society in which the availability of “information” in its widest sense has suddenly become available on a scale unimagined before. Information means here not only what we should regard as information pure and simple, but the whole informational and cultural output and heritage of humanity, now and in the past, and in the future too, as the future becomes the present, and then the past. The engine for this vast expansion is, of course, digital technology, driving digital information

¹ See Moore, Nick, ‘Right and Responsibilities in an Information Society’, 1998 *JILT*, p. 2. also available online at http://elj.warwick.ac.uk/jilt/infosoc/98_1m

and communication systems, travelling especially on global digital networks, the information superhighway and specifically the internet.”²

“Mason (1997) stated that the expression ‘the information society’ and ‘the information superhighway’ are often invoked by those who seek to secure monopoly rights to corporations which are engaged in the commercial exploitation of knowledge and information, notably the large publishers and information providers. The expressions are also invoked by those who advocate an absence of restrictions on the free flow of knowledge”.³

The copyright holders encounter a new set of problems with the development of the information technology system and also with digital technology. The crucial question that arises is how far copyright law has responded to advances in technology over the years. Another point to consider is whether there is enough protection provided by the law.

The previous chapter dealt with the legal issues raised by the emergence of the internet. However this chapter will seek a solution to those problems. Hence the law at various levels, that is, at international, regional and national levels, will be examined in depth, to explore how far the law at each these levels has reacted to the technology challenges and how they have provided legal solutions to problems raised by the internet.

4.2 International Level:

Since the internet is global and used by billion of people worldwide it is paramount therefore that the law at the highest level that is international to provide provisions governing the internet. These laws will provide guidance to countries throughout the world to legislate their own set of laws so that it will bring uniformity among the countries. At

² See Marett, Paul, Intellectual Property Law, (London: Sweet & Maxwell, 1996), pp. 56-57.

³ See Mason, Anthony, ‘Developments in the Law of Copyright and Public Access to Information’, 1997 11EIPR, p. 636.

the international level the World Intellectual Property Organisation (WIPO) was set up mainly to focus on promoting the protection as well as the use of the intellectual property works throughout the world. This objective can only be achieved through cooperation among different states. In this chapter the treaties under WIPO will be examined in order to know how far it solves the issues that have been discussed in the third chapter.

The history of the World Intellectual Property Organisation (WIPO) can be traced back as early as 1883 when the Paris Convention for the Protection of Industrial Property was signed. It was the first international treaty that enabled the owner of a creation in industrial property in one country to seek protection in other countries. Subsequently a treaty on copyright, the Berne Convention for the Protection of Literary and Artistic Works, was signed in 1886. The idea behind it is to ensure that international protection is given to the nationals of the contracting states so that they have the right to control and obtain a reward for their copyrighted works.⁴

Since it was first signed in 1886, the Berne Convention has undergone several amendments. It has been renewed and revised, namely at Paris in 1896, in Berlin in 1908, in Rome in 1928 and in Brussels in 1948 with further revisions in Stockholm in 1967 and in Paris in 1971.⁵ Later it was amended again in 1979.⁶

With the developments in recording technologies, the creative work of authors, such as sound recording, photography and cinematography, could be recorded mechanically and reproduced more easily and therefore the Berlin Revision of the Berne Convention was made in 1908 in order to secure further protection for the authors.

Apparently there were two questions that needed the attention of the international conference. Firstly, there was the need “to establish the moral rights of the author to claim authorship of work” and “to object to any distortion, mutilation or any other modification of the work which would be prejudicial to the honour or reputation of the author”. Secondly, the introduction of broadcasting rights required the revision of the Berne Convention in

⁴ See <http://www.wipo.org/about-wipo/en/gib.htm>.

⁵ See Porter, Vincent, Beyond the Berne Convention, 1991, John Libbey & Company Ltd, London, p.2.

⁶ See Berne Convention for the Protection of Literary and Artistic Works.

Rome in 1928. The subsequent revision to the Berne Convention in Brussels in 1948 was aimed at making it clear “that a literary or artistic work would enjoy protection in all countries of the Union thus ensuring that a claim for protection could be based directly on the convention itself”.

Over the years, besides, the Berne Convention, there were other international agreements signed, such as the Universal Copyright Convention. The purpose of the revision of the Berne Convention in Stockholm in 1967 was to deal with two issues; firstly “to revise the Berne Convention to accommodate new technological developments,” and secondly, “to reconcile the demands and needs of the First and the Third Worlds”.⁷

Technological development has brought many changes, especially to copyright law.

Although the technologies brought with it new changes the copyright law at various levels had coped with it by using all the rules and principles available. These technological changes are dealt with by the Berne Protocol which divided them into four categories: (1) the production of works in digital form; (2) the combination of works (and even non-copyrightable material) in new ways; (3) the delivery and use of works by new transmission means; and (4) the increase in physical and electronic delivery of works across borders.

Suddenly everything changed to digital in 1971 where copyright works were converted into binary forms and could be used online. Clearly this has an impact on traditional copyright law where it only handle copyright works on paper before and nobody is allowed to print copies of a book and distribute it without prior consent from the author. At present the copyright law has to come to terms with copyright works in a digital format.

Copyrighted work can be easily delivered by way of digital transmission and the Internet is the most popular transmission mechanism. The services offered by the internet are different from the old system in many ways;

(a) Temporary copying and use

⁷ See Porter, *op. cit.*, p. 10.

Copyright traditionally focused on physical distribution of packages containing copyrighted works, and broadcasting or public performances where an entire work was shown. In contrast, the new interactive services often involve uses of works in which (1) no copy is delivered at all (2) only a temporary copy is made in computer memory; (3) the only copy made exists on the hard disk of a computer; or (4) only part of a work is used, for a limited time period.

(b) Interactivity

In these services there is typically no broadcaster who widely distributes programming for the public to receive at the time that the broadcaster chooses. Instead, a wide variety of works and services are made available on the 'server' or large computer of the interactive service provider, for access, use or copying at the time determined by the user. Other than putting particular material on his own server (or opening his server for others to post material, or for others to gain access to other content providers' services), the service provider may be a passive participant. The user activates the use or copying of a particular work.

(c) Individual activity

Where copyright has traditionally been concerned with communication or distribution to the public generally, a lot of what takes place on the new interactive services involves the transfer of works, information and other materials to an individual. Electronic mail, which typically allows digital files to be attached and sent with a mail message, is a good example. In principle, any copyrighted work in digital form can be sent between individuals, or from one individual to a small or large group of other individuals, in this way.⁸

The argument concerning reproduction at the international level started when WIPO in 1987 through a Committee of Governmental Experts on the Printed Word had created the "reproduction theory". This theory states that copying in the RAM is required in all screen displays of writings or graphics and these constitutes reproduction.

⁸ See Dixon, Allen N, Hansen, Martin F, 'The Berne Convention Enters The Digital Age', 1996, 11 E.I.P.R., pp. 605-607.

This theory was mainly created for computer programs also covers the reproduction right which is not copying in the tangible form. However when the European Union during the Seventh Session of the Committee of Experts on a Possible Protocol to the Berne Convention wanted to introduce the new Article in the WIPO Copyright Treaty it encountered many oppositions. One of the opposition to the proposal states that the proposal would make browsing the internet which needs to download as copies although this downloading is merely to the RAM of the computer.⁹

In the previous chapter the legal issue on browsing and temporary storage in the RAM was discussed. In this chapter the measure taken by the international organisation that is WIPO in providing the necessary law will be examined.

Article 9 (1) of the Berne Convention deals with the reproduction right, where the Convention provides protection as well as granting an exclusive right to authors of literary and artistic works to authorise the reproduction of their works in any manner or form.

In addition to the Berne Convention there are two other important WIPO Treaties which have an impact on the application of copyright to the internet, namely the WIPO Copyright Treaty (hereinafter “WCT”) and the WIPO Performance and Phonograms Treaty (hereinafter “WPPT”) and these treaties were signed in Geneva in December 1996. As Pollaud-Dulian (1999) has observed “according to the WIPO Treaty, the right of reproduction as defined in Article 9 of the Berne Convention applies to the digital environment and includes the storage of works in digitised form on an electronic medium. Indeed, to quote from the Agreed Statement concerning Article 1(4) of the WIPO Copyright Treaty; ‘the reproduction right, as set out in Article 9 of the Berne Convention, and the exceptions permitted thereunder, fully apply in the digital environment and in particular to the use of the works in digital form. It is understood that the storage of a protected work in digital form in an electronic medium constitutes a reproduction within the meaning of Article 9 of the Berne Convention.’

⁹ See Makeen, Makeen Fouad, Copyright in a Global Information Society, (The Hague: Kluwer Law International, 2000), p. 287.

The draft Treaty submitted to the Diplomatic Conference was discussed at length and led to the adoption of the above-mentioned Agreed Statement rather than to the inclusion of a specific provision in the Treaty itself.”¹⁰

The proposed Protocol clarifies that the permanent or temporary reproduction of a work constitutes a ‘reproduction’ within the meaning of Article 9(1) of the Berne Convention; this explicitly or implicitly include uploading or downloading a work into or from a computer’s memory. Because Article 9(1) of the Berne Convention already recognises authors’ exclusive rights over reproduction of their works ‘in any manner or form’, the proposed provision does not create a new right, but simply confirms that the existing reproduction right applies regardless of the technology involved or the medium used.

Specifically, the provision reaffirms the view of the international community that the reproduction right is not limited to tangible or permanent copies of a work. This provision is particularly important as the on-line and on-demand transmissions of works has become more common. Audiences will increasingly enjoy protected works through temporary copies of works that, like computer programmes, are loaded for a short time into a computer’s RAM and then disappear when the computer is switched off or the on-line service is disconnected.

If Article 9 (1) only applied to permanent or tangible copies, a digitised work in principle could be used by countless users on-line without the consent of or payment to the author.¹¹ Therefore the above provisions covers the legal issues on accessing web page, storage in RAM and caching which involves temporary copying. On the other hand there are no provisions for other legal issues such as linking and framing.

The Berne does not attempt to address all these ‘digital issues’, but rather only those that relate most immediately to the delivery and use of protected works via transmission, including the issue of technical protections. Indeed, much of the ‘digital agenda’ can be dealt with adequately under existing Berne and national rules; after all, the Internet is

¹⁰ See Pollaud-Dulian, Frederic, Perspectives on Intellectual Property: The Internet and Authors’ Rights, (Sweet & Maxwell, 1999), p.109.

¹¹ See Dixon, *op. cit*, pp. 608-609.

thriving, and a large number of multimedia products and interactive services are already developed and on the market, on the basis of the strong, copyright protections currently in place. The Protocol process is very much one of closing unanticipated gaps in protection - 'to clarify the existing, or establish new, international norms where, under the present text of the Berne Convention, doubts may exist as to the extent to which that Convention applies'.¹²

Both the WCT and WPPT treaties aim to boost the rights of the copyright industries in dealing with the latest developments in the technology. Basically the WCT focuses on copyright law that provide protection to the author of copyrighted works. The authors have monopoly rights over the copyrighted works and have the power to stop anybody from exploiting his or her works.¹³

Article 1 of the WCT states that this Treaty is a special agreement under Article 20 of the Berne Convention for the Protection of Literary and Artistic Works, as regards Contracting Parties of the Union. The Treaty also expressly states that it has no connection with treaties other than the Berne Convention. According to Mason,¹⁴ "it must be interpreted as an agreement which grants to authors more extensive rights than the Convention or as one which contains other provisions not contrary to the convention".

In the preamble, the desire to develop and maintain the protection of the rights of authors in their literary and artistic works in a manner as effective and uniform as possible was stated. The Treaty also recognised the need to introduce new international rules and clarify the interpretation of certain existing rules in order to provide adequate solutions to the questions raised by new economic, social, cultural and technological developments. It also recognised the profound impact of the development and convergence of information and communication technologies on the creation and use of literary and artistic works. The most interesting thing is that the Treaty also acknowledged the need to maintain a balance

¹² *Ibid.*, p. 607.

¹³ See Vaver, David, 'Internationalising Copyright Law: Implementing the WIPO Treaties', 1999, OIPRC Electronic Journal of Intellectual Property Rights, p. 1-2, also available online at <http://www.oiprc.ox.ac.uk/EJWP0199.html>.

¹⁴ See Mason, *op. cit.*, p. 637.

between the rights of authors and the larger public interest, particularly in cases of education, research and access to information, as reflected in the Berne Convention.

It is important for a democratic government, as well as for society, trade, industry, culture and education, to have unlimited flow of information and ideas. Besides providing protection to the copyright owners, copyright also has a responsibility to the public in the disseminating of ideas and information. Realising the importance of the public interest as one of the goals of the Treaty, the framework should therefore reflect the balance of interests between the author, publisher and copyright owner, and the public interest by way of dissemination of knowledge and also free access to information through fair dealing and fair use of provisions. In many jurisdictions, the public interest is legally protected by way of freedom of communication and this includes both the right to have access to information and the right to disseminate ideas and information.¹⁵

The Treaty also provides a special provision on computer programmes. Article 4 of the Treaty stated that computer programs are also protected as literary works within the meaning of Article 2 of the Berne Convention. This protection covers computer programs in whatever mode or form of their expression. As regards compilations of data or other material in any form, which by reason of the selection or arrangement of their contents constitute intellectual creations, Article 5 WCT provides protection for this. However this protection does not extend to the data or the material itself and is without prejudice to any subsisting in the data or material contained in the compilation.

Articles 6 deals with the right of distribution where the exclusive right to authorise the original and copies of the copyright works in order to make it available to the public through sale or other transfer of ownership was conferred to the authors of literary and artistic works. Article 7 provides protection for the authors of computer programs, cinematographic works and works embodied in phonograms, as determined in the national law of contracting parties to authorise the commercial rental to the public of the originals or copies of their works. However this does not apply in the case of computer programs, where the program itself is not the essential object of the rental and in the case of

¹⁵ See Mason, pp. 637-638.

cinematography works, unless such commercial rental has led to widespread copying of such works which materially impair the exclusive right of reproduction.

The WCT makes a specific provision which covers the internet under Article 8, where “the authors of literary and artistic works shall enjoy the exclusive right of authorising any communication to the public of their works, by wire or wireless means including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them.”

As regards limitations and exceptions, contracting parties may in their national legislation provide for limitations of exceptions to the rights granted to authors of literary and artistic works under this Treaty in certain special cases that do not conflict with a normal exploitation of the work and that do not unreasonably prejudice the legitimate interests of the author.¹⁶

Contracting parties shall provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are used by authors in connection with the exercise of their rights under this Treaty or the Berne Convention and that restrict acts in respect of their works, which are not authorised by the authors concerned or permitted by law.¹⁷

The preamble of the WPPT Treaty states that, in order to cope with the issues raised by the economic, social, cultural and technological developments, new international rules are needed. The Treaty also recognises the need to strike a balance between the rights of performers and producers of phonograms and the larger public interest, especially in education, research, and access to information. Another objective of the Treaty is to develop and maintain the protection of the rights of performers and producers of phonograms in a manner as effective and uniform as possible. The Treaty defined performers as actors, singers, musicians, and dancers and other persons who act, sing, deliver, declaim, play in, interpret or otherwise perform literary or artistic works or expressions of folklore. It also defines fixation as the embodiment of sounds or of the

¹⁶ See Article 10 of WCT.

¹⁷ See Article 11 of WCT.

representations from which they can be perceived, reproduced or communicated through a device.

Whatever protection the performers and producers of phonograms enjoy in one contracting party, they will also be entitled to similar protection in other contracting parties. It is required that one contracting party should give similar exclusive rights granted under the Treaty as well as the right to equitable remuneration to the national of the other contracting parties.¹⁸

Article 7 of the Treaty deals with the right of reproduction enabling the performers to authorise in any manner or form, the direct and indirect reproduction of their performances fixed in phonograms. Chapter III of the Treaty lays down the rights of producers of phonograms where Article 11 states the reproduction rights of producers of phonograms. The producers of phonograms have the exclusive right to authorise the direct or indirect reproduction of their phonograms in any manner or form. As regards the right of distribution, the performers have an exclusive right to authorise the original and copies of their performances fixed in phonograms through sale or other transfer of ownership for the benefit of the public. However, the freedom of contracting parties to determine the conditions applied after the first sale or other transfer of ownership of the original or a copy of the fixed performance with the authorization of the performer will not be affected.

In general at this level, the WIPO has stirred an interest among the member states to raise themselves above the challenges brought by the technology. In an attempt to solve the issues created by the internet, through its many treaties such as Article 8 of the WCT which had expressly stated its protection for the internet. Under that Article the authors of literary and artistic work have an exclusive right to authorise their works and communicate their works to the public in a way that the public is free to access these works from a place and at a time individually chosen by them.

As regards the legal issues discussed in chapter 3, for accessing web page, storage in RAM and caching which involves temporary copying, Article 9 of the Berne Convention may

¹⁸ See Article 4(1) of WPPT.

cover these issues. This is because the reproduction rights under that Article provides the rights and the exceptions and it also encompasses digital environment which means it covers the works in digital format. The WIPO Treaties only provides the basic framework for the protection of the internet as well as reproduction rights concerning works in digital form.

4.3 Regional Level - The European Union

4.3.1 Introduction:

Acting through the European Commission, the European Union, plays an important role to further develop the international Copyright law especially since the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT) in 1996).¹⁹

The European Commission in its White Paper on Growth, Competitiveness, Employment- The Challenges and Ways Forward into the Twenty First Century, made reference to the term 'information society'.²⁰ The Commission's White Paper acknowledged the potential of information, communication technologies and related services in increasing the growth, competitiveness, job opportunities and the quality of life of all Europeans. This was followed by a report on information society produced by a group of prominent persons seeking suggestions for action.²¹

¹⁹ See Dietz, Adolf, 'The Protection of Intellectual Property in the Information Age-The Draft E.U Copyright Directive of November 1997', 1998 *I.P.Q.*, No.4, p.336.

²⁰ See The Green Paper on Copyright and Related rights in the Information Society, COM(95) 382 final, p.6.

²¹ See Europe's Way to the Information Society. An Action Plan, Com (94) 347 final, p. 1.

This report stated that “Technological progress now enables us to process, store, retrieve and communicate information in whatever form it may take, whether oral, written or visual, unconstrained by distance, time and volume. The group believes that intellectual property protection must rise to the new challenges of globalisation and multimedia and must continue to have a high priority at both European and international levels...Europe has a vested interest in ensuring that protection of intellectual property rights receives full attention and that a high level of protection is maintained.”²²

The report was followed by the Commission’s Communication entitled “Europe’s Way to the Information Society setting out an “action plan”. The focus of the plan is towards building the regulatory framework that covers all regulatory fields which are related to the growth of the information society. The intellectual property protection was considered by the Commission’s action plan as the most significant issue and this coincided with the “Bangemann report”. A thorough inspection of the measures taken in the field was required in order to find out whether they had reacted in a proper way to the new technological challenges, and the report also required further investigation if the additional measures were needed. Thus the Commission come up with a Green Paper on Intellectual Property Protection in the Information Society which was published on 19 July 1995. The highlight of the Green Paper was the discussion surrounding the issue of challenges faced by copyright and related rights as a result of recent developments in technology that involved the interested parties, including industry, rightholders, users, member states and community institutions.²³

The right of reproduction was one of the focuses of the Green Paper and it was considered to be the most significant aspect of copyright and related rights because it empowers the rightholder to authorise or prohibit reproduction of the work by anyone else. In this way the rightholder has complete control of the acts of exploitation. If the technology is only related to reproduction in a material form and the equipments used are only available to professionals, then it would be quite easy to enforce the reproduction right. The unauthorised reproduction would be proven though the illicit copies made by the

²² See The Green Paper on Copyright and Related Rights in the Information Society, COM(95) 382 final, *op. cit.*, p. 6.

²³ See Follow-up to The Green Paper on Copyright and Related Rights in the Information Society, COM (96)586 final, also available online at <http://europa.eu.int/ISO/infosoc/legreg/docs/com96586.html>.

professionals in the act of piracy. Through technological development however, the protected works could be easily reproduced, and this really makes a big difference, as when the photocopier made the large-scale reproduction of works to the public possible. It made possible the reproduction of private copies of sound and video recording from the comfort of one's own home. Obviously this caused a bad impact on the rightholder's interest. The emergence of the digitisation of works and other protected matter caused further changes, by which works could be used in data processing systems and also reproduced in a form which human senses cannot understand directly.²⁴

4.3.2 The Directive on the Harmonisation of Certain Aspects of Copyright and Related Rights in the Information Society (The Information Society Directive):

Eventually the European Commission adopted the proposal for the European Parliament and Council Directive on the harmonisation of certain aspects of copyright and related rights in the Information Society 1997.

The proposal was made after extensive consultation with various interested parties and it was only in 2001 that the European Union decided to adopt the Information Society Directive.²⁵

Three exclusive rights, namely the right of reproduction, the right of distribution and the right of communication to the public, are among the focuses of the Copyright Directive. By drawing up an exhaustive list of permitted limitations, subject to the three-step test, it is the objective of the Directive to be able to harmonise the copyright limitations ("exceptions") provided under national laws. The reproduction right is considered to be the "core of copyright" by the European Commission and many others, although not everyone agrees with this idea anymore. In the digital networked environment the transmission of copies in an immaterial form over wired or wireless channel possible.

²⁴ See The Green Paper Copyright and Related Rights in the Information Society, *op. cit.*, pp. 49-50.

²⁵ See Yu, Peter K, 'An Overview of the EU Information Society Directive', available online at <http://www.gigalaw.com/articles/2001-all/2001-11-all.html>.

On the other hand it is important to note that in copyright, the word reproduction is considered more of a legal notion than a technical concept. In its "Reply to the Green Paper on Copyright in the Information Society," the Legal Advisory Board of the European Commission stated that

"The notions of "reproduction" and communication to the public" are only Fully understood if they are interpreted not as technical, but as normative (man-made) notions, i.e they are not in a simple sense descriptive but purpose-oriented and used to define and delimit existing proprietary rights in a sensible and acceptable way. Thus, if the use of a protected work transmitted over a computer network causes (parts of the work) to be immediately stored, this technical fact does not, in itself, justify the conclusion that an exclusive reproduction right is potentially infringed.²⁶"

However, the objectives of copyright must be considered in interpreting both the reproduction and the economic rights. The reproduction right should be regarded as an instrument that helps in reaching the goal, even though the purpose of copyright is to ensure that the copyright owner gets the reward from the commercialisation of his or her work. It was Joseph Kohler, the "godfather" of continental-European copyright law, who recognised the nature of the reproduction right at the very beginning. Kohler stated that the scope of the reproduction right should not be determined by technical criteria.²⁷

The traditional forms of reproduction coexist with the reproduction of works and other protected matter in the Information Society environment, where it is done through the scanning of printed work, and the storing of digitised material in a computer memory, electronic system or device. Incidental acts, which happen from the normal usage of electronic systems, may also cause reproduction, such as the transmission of material over the internet.

Thus, consideration has to be given to these new acts of reproduction: whether these acts are protected under the traditional reproduction right, which is mainly based on the traditional understanding of reproducing copies on paper, tape, etc. It is far easier for copyrighted works to be exploited by copying once these works have been converted into

²⁶ <http://europa.eu.int/ISPO/legal/en/ipr/reply/scope.html#H>

²⁷ See Hugenholtz, P. Bernt, 'Caching and Copyright: The Right of Temporary Copying', 2000, *EIPR*, p. 485.

electronic form and can be transmitted digitally. Thus it is crucial for the traditional reproduction right and its exceptions to be examined and modified to suit the new environment, so that the required level of protection can be maintained.

Directive 2001/29/EC on the harmonisation of certain aspects of copyright and related rights in the information society (The Information Society Directive) lays down the rules on reproduction right. Recital (21) of the Directive requires that the definition of the scope of the acts that fall under the reproduction right with regards to the different beneficiaries to be made. It also acknowledges the importance of having a broader definition of these acts, in order to maintain legal certainty within the internal market.

Article 5 (1) however provides an exception to this right where it covers “temporary acts of reproduction, which are transient or incidental and an integral and essential part of a technological process, and whose sole purpose is to enable: (a) a transmission in a network between third parties by an intermediary, or (b) a lawful use of a work or other subject matter to be made, and which have no independent economic significance”.

If they fulfil these conditions then according to Recital (33) this exception would cover acts that will allow browsing and caching to operate. This includes the acts which will make the transmission system run smoothly, provided that the intermediary “does not modify the information and does not interfere with the lawful use of technology, widely recognised and used by industry, to obtain data on the use of the information.” If the acts were done with the consent of the right holder and not against the law then these acts are lawful under Recital 33. From the wording of Article 5 (1) shows that there is a balance between securing protection for technology in order to get better operation of network and at the same time make sure that networks are not used as vectors for the transmission of pirated content.²⁸

Article 2 of the Directive deals with reproduction rights where Member States are required to grant to the authors, performers, phonograms producers, the producers of the first

²⁸ See Smith, Graham J H, Internet Law and Regulation, (Sweet & Maxwell, 2002), pp. 17-18.

fixations of films and broadcasting organisations the exclusive right to authorise or prohibit, direct or indirect, temporary or permanent reproduction by any means either whole or in parts of their respective works. The wording of the above Article clearly shows that it encompasses all types of copying, whether it is done by way of direct or indirect, temporary or permanent means either whole or in part.

However there are Member States, which still do not have this express provision regarding temporary copying in their current laws.

Due to a broad reproduction right, there is a fear that it is more weighted towards the right to control use of works instead of the copying of works, because in digital environments many copies are made whenever the equipment operates. When a broad reproduction right was proposed by the draft WIPO Copyright Treaty, it created such a controversy over the question of temporary copying that it was then taken out from the final Treaty. The only thing that still remains is an agreed statement: "It is understood that the storage of a protected work in digital form in an electronic medium constitutes a reproduction within the meaning of Article 9 of the Berne Convention".

It is interesting to note that the Directive expressly provides for temporary reproduction in order to keep the Directive abreast of technological development. However, Article 5 of the Directive provides for the exemption of the reproduction right where temporary acts of copying are concerned. The temporary acts of copying, which are allowed under this article, are as follows:

- (a) transient or incidental and
- (a) an integral and essential part of a technological process and
- (b) whose sole purpose is to enable either
 - (i) the transmission in a network between third parties by an intermediary or
 - (ii) a lawful use
 of a work or other subject-matter to be made, and which have no independent economic significance.

The provision for temporary copying is the only mandatory exception. It consists of uncertain requirements, which makes the scope of the exception narrower. This Article may be regarded as quite complicated.²⁹

It is the aim of the Article 5 (1) is to exclude from the scope of reproduction right certain acts of reproduction right certain acts of reproduction which are dictated by technology but which have no separate economic significance of their own.

It is applicable to on-line environment as well as to acts of reproduction taking place in the context of the use of a protected subject matter in off-line formats. In such cases it is appropriate to limit the scope of reproduction right and only protect those acts of reproduction, which are a separate economic relevance. Such an obligatory exceptions at Community level is vital as such short-lived reproductions ancillary to the final use of a work will take place in most acts of exploitation of protected subject matter, which will often be of a transnational nature.

Computer programs or databases, on the other hand, do not fall under this exception. Without an adequate temporary copying exception, consumer groups fear that even browsing the content of the internet may constitute a copyright infringement. From the wording of Recital 33, browsing and caching fall under the exception and this is expressly stated in Article 5.

Besides the mandatory exception there are at least twenty other optional exceptions provided under Article 5.2 and 5.3, which the Member States can choose whether they want to apply this to their own national laws. However, new exceptions can only be added if they are in line with the listed exceptions and the existing exceptions which are outside the exhaustive list have to be changed or deleted. One question to be considered is that, since the Member States are able to apply any exceptions they choose from the list of exceptions and come up with a different form of exceptions so long as they are within the limit of

²⁹ See Hart, Micheal, 'The Copyright in the Information Society Directive: An Overview', 2002, E.I.P.R., pp. 58-59, also available online at <http://uk.westlaw.com/result/text.wl>.

Article 5.2 and 5.3, how can this fall in line with the objective of the Directive for harmonisation.³⁰

Article 5.2 of the Directive deals with the exceptions to the reproduction right which covers copying:

- “on paper or any similar medium effected by the use of any kind of photographic technique except the music sheet”.
- by a natural person on any medium for private use and for ends that are neither directly or indirectly commercial.
- By public libraries, educational establishment, museums, archives which are not for direct or indirect commercial advantage.
- Ephemeral recordings of works made by broadcasting organisations by means of their own facilities and for their own broadcasts
- Broadcasts made by social institutions for non-commercial purposes.

Article 5.3 deals with exceptions or limitations of reproduction rights and communication to the public rights. It covers illustrations for teaching or scientific research which must be non-commercial research. Article 5.3 (n) also allows use by communication or the making available of the information for the purpose of research or private study to individual members of the public by dedicated terminals on the premises of establishments referred to in paragraph 5.2(c), that is, acts of reproduction made by publicly accessible libraries, educational establishments or museums, or by archives.³¹

Article 5.3 contains an exception for reporting current events which includes any reproduction by press communication to the public or making available of published articles on current economic, political or religious topics or of broadcast works or other subject matter of the same character. Use of works in connection with the reporting of current events is allowed if it is justified by its informatory purpose and the source, that is, the author's name, is indicated; this would fall under the exception. The exception also includes quotations for purposes such as criticism or review under Article 5.3 (d) provided

³⁰ See *Ibid.*, p.59.

³¹ *Ibid.*, pp. 3-5.

that they relate to a work or other subject matter, which has already been lawfully made available to the public.

Unless this turns out to be impossible then the source including the author's name should be indicated and that their use is in accordance with fair practice and to the extent required by the specific purpose. The act of distribution of copyright works to members of the public where they themselves are not present at the place where the communication takes place is protected under the communication to the public right. The communication to the public of copyright works includes communication through online means of distribution and transmission.

The most interesting provision is the one relating to communication to the public of copyright works via online media, such as the internet or broadcasting. Article 3.1 of the Directive states that the exclusive right is given to the authors to authorise or prohibit any communication to the public of their work, either by way of wire or wireless means including making available to the public where members of the public may access them from a place and at a time individually chosen by them. This covers, for instance, online services. Article 3.2, however, imposes a limitation on the exclusive rights of the performers, phonograms producers, the producers of the first fixation of films, broadcasting organisations, to those acts by the making available to the public by either wire or wireless means where members of the public may access them from a place and at a time individually chosen by them.

The Member States through Article 6 are required to include in their implementing legislations a prohibition on the circumvention of technical protection measures which protect copyright works where the particular person who carries this out knows that he or she is trying to achieve for this goal. The relevancy of the knowledge test can be seen in case of technology that has two usages that is can be used to break copyright protection and also can be use for another purpose.

In general, at the regional level the EU through the Information Society Directive had solved some issues regarding internet such as temporary reproduction, browsing and caching. Article 5 of the Directive provides for the exemption of the reproduction right that is the temporary acts of copying and this is the only mandatory exception. Whereas the Recital (33) specifically states that browsing and caching are within the exception. The Directive also provides for exceptions to the reproduction rights and communication to the public rights which covers illustration for teaching or scientific research specifically for non-commercial research. However there is no provision in the Directive that covers legal issue on framing.

4.4 National Level: United Kingdom:

4.4.1 Introduction:

As mentioned above, after the Information Society Directive was adopted in 2001, all the EU member states were required to implement the Directive into their national laws before the end of 2002. The internet, e-commerce and digital technology bring so many new challenges to the law, and in order to cope with this, the Directive harmonises rights in certain significant areas and also provides for the exceptions to those rights. In order for the UK to follow the requirements of the Directives, the formal consultation of the draft amendments to UK law was made. The Consultation brought the proposed changes to UK Copyright law to the attention of interested groups. They gave their views during the consultation period. The purpose of this consultation was to make interested parties aware of the more significant proposed changes to UK copyright law at the earliest possible time, and to ensure that the implementation of the Directive in the United Kingdom would be both complete in respect of the mandatory provisions, and also appropriate as regards the options and flexibilities present in the Directive.

It is important to note that it is the aim of the Directive to harmonise rights in important areas in an attempt to rise to the challenge brought about by the internet, e-commerce, and

also digital technology. Besides that the Directive also provides the exceptions to those rights.³²

The UK Patent Office had circulated the consultation paper to 250 organisations that had some interest in the copyright area. The Consultation paper was also made available on the Patent Office website so that the public could gain access to it. In general, the Patent Office received over 300 responses from individuals and organisations, and some of them voiced their concerns about consumer interests. According to the Patent Office, the issues that had been raised by the individuals and organisations covered many issues but they only focused on the main issues. Since the Directive itself covers many areas that raised many different opinions and reactions from people, it is therefore very hard to fulfil the needs of everyone.

4.4.2 The Implementation:

The implementation of the Directive in 2003 was by way of Statutory Instrument under the European Communities Act 1972. The UK Copyright, Designs and Patents Act 1988 has been amended by the Copyright and Related Rights Regulations 2003³³ herein after refer to as the Regulation, which come into force on October 2003. Although the CDPA itself already incorporated many obligations specified by the Directive, there were still certain technical changes to be done to ensure that CDPA complied with the Directive.

In a way, the Directive implements the WIPO Treaty by inserting the provision on the communication to the public right. The copyright owner is given the privilege to have his copyright works available and accessible through the internet.

It seems that there is only one mandatory exception in the Directive and this has been incorporated in the Regulation.³⁴

³² See <http://www.patent.gov.uk/about/consultations/eccopyright/impact.htm> (accessed 11.05.03).

³³ Statutory Instrument 2003 No. 2498.

³⁴ Section 28A provides "the making of a temporary copy which is transient or incidental, which is an integral and essential part of a technological process and the sole purpose of which is to enable-

(a) a transmission of the work in a network between third parties by an intermediary or

The provision above is meant to provide protection to ISPs from action for infringement. There are other exceptions in the Directive but they are basically non-mandatory. It is necessary for national law to follow the limit set by the Directive and to amend any exceptions under the national law that are too broad, and also to delete any exceptions that fall outside the scope of the Directive. Any work for research purposes is considered as fair dealing and permissible under the CDPA, and this covers research for commercial purposes. The Directive, on the other hand, imposed a restriction on the exception to research for non-commercial purposes. The Regulations adopted this approach and it restrict the commercial organisations from photocopying and downloading materials for research purposes unless they have a licence”.³⁵

4.4.3. The impact of the Directive on UK law:

Since this thesis is focusing on copyright on the internet therefore it is important to examine how far the Regulations has adopted the EU Directives on Information Society and provided the provision on the internet. The Regulations will be examined to determine whether there is a significant provision that is relevant to the selected legal issues in chapter 3.

In general, the amendment made to current UK law was purely technical because the existing law has a good foundation to cope with new technological challenges. In order to comply with the Directive, several changes had to be made regarding:

- performers’ exclusive rights to authorise or prohibit transmission of their works as stated under Article 3.2.
- mandatory and non-mandatory exceptions as provided under Article 5
- obligation as to technological measures required by Article 6.

(b) a lawful use of the work;
and which has no independent economic significance”

³⁵ See Harmonisation of Certain Aspects of Copyright and Related Rights in the Information Society (“The Copyright Directive”) available online at <http://www.mda.org.uk/mcopyg/ec.htm>.

- provisions for legal protection of electronic rights management information in Article 7.
- appropriate sanctions and remedies as stated in Article 8.³⁶

As regards the issue on the internet, it has been dealt with by the under Article 3 (1) where it states that:

“(1) Member States shall provide authors with the exclusive right to authorise or prohibits any communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access them from a place and at a time individually chosen by them.”

This Article was adopted by the Regulation where section 20 was substituted and it is as follows: Section 20 Infringement by communication to the public

“(1) the Communication to the public of the work is an act restricted by the copyright in:
 (a) a literary, dramatic, musical or artistic work,
 (b) a sound recording or film, or
 (c) broadcast.
 (2) references in this part to communication to the public are to communication to the public by electronic transmission, and in relation to a work include-
 (a) the broadcasting of the work;
 (b) the making available to the public of the work by electronic transmission in such a way that members of the public may access it from a place and at a time individually chosen by them.”

Section 20 (2) (b) above refers to the communication to the public through the internet medium where the work is made available to the public via internet and they are able to have access to it at any time and place that suits them.

Section 6 that is the provision relating to broadcasts has been amended as well and under the old section 6 ‘broadcast’ has been define as “a transmission by wireless telegraphy of visual images, sound or other information which is capable of being lawfully received by members of the public or is transmitted for presentation to members of public and references to broadcasting shall be construed accordingly.” Whereas under the amended

³⁶ See Harmonisation of Certain Aspects of Copyright and Related rights in the Information Society (“The Copyright Directive”) available online at <http://www.mda.org.uk/mcopyg/ec.htm>.

section 6 where broadcast means electronic transmission of visual, images, sounds or other information which is transmitted for simultaneous reception by members of the public...” However a new section (1A) has been inserted as follows:

“(1A) Excepted from the definition of “broadcast” is any internet transmission unless it is-
 (a) a transmission taking place simultaneously on the internet and by other means”

The section above expressly exempted the internet from the definition of broadcast.

In the third chapter one of the legal issues discussed is the accessing of webpage and also the storage of information in RAM which is transient. Under the Information Society Directive there is a mandatory provision which is the only one where the Member States has to adopt that is Article 5 (1). Article 5 (1) deals with exemption for temporary acts of reproduction which are transient or incidental and essential part of a technological process.

This Article is incorporated in the amendment to UK CDPA 1988 where the new section is added:

“making of temporary copies
 Section 28A Copyright in a literary work, other than a computer program or a database, or in a dramatic, musical or artistic work, the typographical arrangement of a published edition, a sound recording or a film, is not infringed by the making of a temporary copy which is transient or incidental, which is an integral and essential part of a technological process and the sole purpose of which is to enable-
 (a) a transmission of the work in a network between third parties by an intermediary
 or
 (b) a lawful use of the work
 and which has no independent economic significance.”

A new provision has been added in Part I and Part II of the UK Act in order to satisfy the requirement under Article 5.1, since there is no similar exception in the present Act.³⁷ The Regulations dealt with the issues concerning temporary copies. The issue surrounding transient storage in RAM and browsing was discussed in the previous chapter. The

³⁷ See The Copyright Directive (2001/29/EC) – UK Implementation, *op. cit.*, p. 3

amendment is relevant to these issues where storage of information in RAM is not permanent and very transient. RAM is created in order increase the speed of moving the data from the computer's processors so that its instructions can be implemented quickly. As regards browsing, it involves the making of transient copies, transmission and distribution. This amendment is also relevant to browsing and this section makes clear the position on browsing.

The main aim of the amendment is to protect innocent ISPs and telecommunications service providers from action for infringement. The amendment to the CDPA 1988 also inserted a new paragraph in Schedule 2 of the Act.³⁸

Another addition is made after section 182A (1)

“(1A) In subsection (1), making a copy of a recording includes making a copy which is transient or is incidental to some other use of the original recording.”

The issue on caching is also discussed in the third chapter. Basically caching is used to increase the speed of memory access and also involves the making of temporary storage in the RAM. The position of this issue is clear under the Information Society Directive where Recital (33) specifically states that it covers caching and expressly stated in Article 5 (1). Since the Regulations adopted Article 5 (1) of the Directive under section 28A and since caching itself involves making transient copies then this section covers caching. On the other hand The EU Directive on certain aspects of information society services, in particular electronic commerce, in the Internal Market ('Directive on electronic commerce')³⁹ also has a provision on caching under Article (43) as follows:

“A service provider can benefit from the exemptions for “mere conduit” and for “caching” when he is in no way involved with the information transmitted; this requires among other things that he does not modify the information that he transmits; this requirement does not cover manipulations of a technical nature which

³⁸ making of temporary copies

1A. The rights conferred by Part II are not infringed by the making of a temporary copy of a recording of a performance which is transient or incidental, which is an integral and essential part of a technological process and the sole purpose of which is to enable-

(a) a transmission of the recording in a network between third parties by an intermediary, or
(b) a lawful use of the recording;

and which has no independent economic significance.

³⁹ See Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000.

take place in the course of the transmission and they do not alter the integrity of the information contained in the transmission.”

The Electronic Commerce Directive, under Article 13 also provides that ISPs are exempt from liability in ‘caching’. Chapter II of the Directive, under Article 13 clearly express caching as follows:

“Where an information society service is provided that consists of the transmission in a communication network of information provided by a recipient of the service, Member States shall ensure that the service provider is not liable for the automatic, intermediate and temporary storage of that information, performed for the sole purpose of making more efficient the information’s onward transmission to other recipients of the service upon their request, on condition that:

- (a) the provider does not modify the information;
- (b) the provider complies with conditions on access to the information;
- (c) the provider complies with rules regarding the updating of the information, specified in a manner widely recognised and used by industry;
- (d) the provider does not interfere with the lawful use of technology, widely recognised and used by industry, to obtain data on the use of the information; and
- (e) the provider acts expeditiously to remove or to disable access to the information it has stored upon obtaining actual knowledge of the fact that the information at the initial source of the transmission has been removed from the network, or access to it has been disabled, or that a court or an administrative authority has ordered such removal or disablement.”

From the above, caching operation happened when for the purpose of making the onward transmission of information to the recipients efficient, the ISP made an automatic, intermediate and temporary storage of information. However, there are a few conditions attached to this exemption, such as: the provider is not allowed to make any changes to the information, the condition access to information must be complied with, and also the data must be updated by using method that conforms to those widely recognised and used by the industry.⁴⁰

⁴⁰ See Pearce, Graham, Platten, Nicholas, ‘Promoting the Information Society: The EU Directive on Electronic Commerce’, 2000, European Law Journal, vol.6, no.4, pp.372-373.

Article (44) of the Directive of Electronic Commerce however, provides that in a case where the ISP purposely collaborates with recipients of his service in order to do illegal acts beyond the activities of 'mere conduit' or 'caching', the ISP concerned will not be exempted from the liability.

However on the issue of framing which has been discussed in chapter 3, there is no specific provision on this under the Act. As regards linking there express provision on this matter either. However under section 16(2) of the CDPA the copyright owner can authorise another person to do any of the acts restricted by the copyright. Therefore it can be argued that the copyright owner can also authorise anyone to link to his website. In the case of deep linking it is submitted that the person who create the link "authorise" others to link to his website.

As discussed in chapter 2 fair dealing is used in court as a statutory defence for copyright infringement. However Information Society Directive made a few changes to this statutory defence. Exception for use by communication or for making available for purposes of research or private study to individual members of the public by dedicated terminals is provided under Article 5.3 (n), which has been adopted by UK CDPA, and section 29 (1)⁴¹ was modified accordingly. Subsection (1A) of the same section was deleted and a new subsection was has been inserted.⁴²

Subsection 2 has been modified as follows: the words "mentioned in subsection (1)" has been replaced by "of research or private study". There is also a new addition after subsection (4).⁴³ However Subsection (5) was deleted.⁴⁴

⁴¹29(1) Fair dealing with a literary, dramatic, musical or artistic work for the purposes of research for a non-commercial purpose does not infringe any copyright in the work provided that it is accompanied by a sufficient acknowledgement.

⁴²(1B) No acknowledgement is required in connection with fair dealing for the purposes mentioned in subsection (1) where this would be impossible for reasons of practicality or otherwise.

(1C) fair dealing with a literary, dramatic, musical or artistic work for the purposes of private study does not infringe any copyright in the work.

⁴³(4A) It is not fair dealing to observe, study or test the functioning of a computer program in order to determine the ideas and principles which underlie any element of the program (these acts being permitted if done in accordance with section 50BA (observing , studying and testing)).

⁴⁴See Draft Amendment to the 1988 Act covering the main changes proposed to implement Directive 2001/29/EC, op. cit, p. 5.

In order to adopt Article 5.3 (d) of the Directive, which provides for the quotation for the purposes of criticism and review, the subsection (1) of section 30 of CDPA has been amended by placing additional wording after the word “acknowledgement”.⁴⁵

A new subsection (1A) has been added for the purposes of subsection (1) which explained that

“the work has been made available to the public if it has been made available by any means including-

- (a) the issue of copies to the public;
- (b) making the work available by means of an electronic retrieval system;
- (c) the rental or lending of copies of the work to the public;
- (d) the performance, exhibition, playing or showing of the work in public;
- (e) the communication to the public of the work;

but in determining generally for the purposes of that subsection whether a work has been available to the public no account shall be taken of any unauthorised act.”

Another change is made in subsection (3) for the words from “broadcast” to

“programme” has been substituted with “or broadcast where this would be impossible for reasons of practicality or otherwise”.

In UK law, fair dealing relating to reporting current events is provided under section 30 (3) of CDPA.⁴⁶ The section has been modified in order to fall in line with Article 5 (3) (c) of the Directive, which provides for reproduction by press, communication to the public or making available of a published article on current economic, political or religious topics or of broadcast works, where such use is not expressly reserved for the use of works or subject matter related with the reporting of current events. In the Regulations, the paragraph 2 of schedule 2 has been amended.

“2 (1) fair dealing with a performance or recording for the purpose of criticism or review, of that or another performance or recording or of a work, does not infringe any of the rights conferred by Part II provided that the performance or recording has been made available to the public.”

⁴⁵ Section 30(1) Fair dealing with a work for the purpose of criticism or review, of that another work or of a performance of a work, does not infringe and copyright in the work provided that it is accompanied by a sufficient acknowledgement and provided that the work has been made available to the public.”

⁴⁶ (3) No acknowledgement is required in connection with the reporting of current events by means of a sound recording, film or broadcast where this would be impossible for reasons of practicality or otherwise.”

(1A) fair dealing with a performance or recording for the purpose of reporting current events does not infringe any of the rights conferred by Part II” (sub-paragraph (2) is not amended).

Anyone who makes a copy of a recording of either a whole, or a substantial part of, a qualifying performance without consent, and not for private use, is considered to have infringed a performer’s rights under section 182A (1) of CDPA. Subsection (2) states that it is immaterial whether the copy is made directly or indirectly. Under subsection (3), the right of a performer to authorise or prohibit the making of such copies is known as ‘reproduction right’.

In the Regulations, section 182A has been amended as follows:

Section 182A “(1A) making a copy includes making one which one is transient or incidental to some other use of the recording”.

This amendment made explicit the fact that Part II of the Act covers temporary copies of recordings of performances.

As regards the one of the legal issues discussed in the third chapter that is caching, there is no specific provision on caching in the CDPA 1988. Even though there is no such provision but it is provided for under the EU Directive 2000/31/EC on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (‘Directive on electronic commerce’). Article (43) of that Directive provides that “A service provider can benefit from the exemptions for “mere conduit” and for “caching” when he is in no way involved with the information transmitted.” Before the Article is applicable, the ISPs are required not to make any modification to the information that he transmits. However this requirement does not apply to the manipulations of a technical nature, which take place in the course of the transmission because the integrity of the information maintain in the transmission will not be altered.

Article (44) further provides that the exemption will not be applicable to the ISP, if it purposely joins one of the recipients of his service to carry out illegal acts which exceed the activities of “mere conduit” or “caching”. This protection is significant for the ISP to ensure that their activities are legal because caching is an important part of the internet. Without caching it will be difficult for the user to get popular information on the internet

fast and furthermore the information stored in the computer will be deleted once the computer is switched off.

Article 6 of the Directive (obligations as to technical protection measures) requiring legal remedies against the circumvention of technological protection measures (TPMs) used to prevent or restrict infringements of rights, prompted more comment than any other aspect of the Directive. Many responses, especially from individuals, expressed concern that TPMs would give right owners greater control than copyright itself, and, in particular, would prevent what these respondents see as 'fair use' of legitimately obtained copyright material. The Directive does not require TPMs to be used, but the Government believes that this option must be open to right owners, and the UK is obliged by the Directive to protect TPMs where used. It is also the case that there is a balance to be drawn between the use of TPMs and the continued availability of copyright exceptions. Organisations and individuals concerned about the implications of Article 6 for society as a whole felt that the protection of TPMs could lead to anti-competitive practices, affect data privacy and inhibit freedom of expression, and called for the implementing legislation to address these issues.

The Government has concluded that this would not be appropriate, particularly as Article 6 does not specify that its provisions are to be made subordinate to other laws. Neither, however, does Article 6 or the implementing legislation address these issues. The government concluded that this would not be appropriate, particularly as Article 6 does not specify that its provisions are to be made subordinate to other laws. Neither, however, does Article 6 or the implementing legislation make the protection of TPMs supreme above other laws, so that, for example, there will be nothing to prevent competition law operating if TPMs are used in an anti-competitive way, and those using TPMs will need to respect data protection laws. Concerns were also expressed that TPMs could act to prevent material entering the public domain on expiry of rights, but, again, Article 6 does not address this issue, and in any case, its provisions do not apply to TPMs used in relation to non-copyright material.⁴⁷

⁴⁷ See Consultation on UK implementation of Directive 2001/29/EC on copyright and related rights in the information society: analysis of responses and government conclusion available online at <http://www.patent.gov.uk/about/consultations/responses/copydirect/article6.htm>.

4.5 National Level: United States of America:

4.5.1 Introduction:

The English copyright system has been used in American colonies for many years.

The resolution passed by the Continental Congress on May 1783 stated that “The several States...to secure to authors or publishers of any new books...the copyright of such books...” The English statute became the base of the first federal copyright law, the Act of May 31, 1790. The new technologies and economic interest brought changes that had to be acknowledged and therefore Congress had to broaden the Act’s original subject matter-charts slowly to accommodate this.

The United States finally became a member of the Berne Convention for the protection of literary and artistic works in 1989. Another important Act in the 1998 United States is the Digital Millennium Copyright Act (hereinafter “DMCA”).⁴⁸ Basically the objective of the DMCA is to update the Copyright Act with consideration of new technologies such as the internet and commerce, by making new provisions for technological protection measures, electronic rights management, and also safe harbours.⁴⁹

The negotiations about these provisions which had been going on for quite a while were brought to an end when the U.S Congress passed the DMCA in 1998. The DMCA was enacted in order to fulfil the obligations under the WIPO treaties signed in December 1996, as well as to provide additional provisions regarding related matters.⁵⁰ The international

⁴⁸ See P.L No.105-304 (October 28, 1998).

⁴⁹ See Goldstein, Paul, Copyright, Patent, Trademark and Related State Doctrines, Cases and Materials on the Law of Intellectual property, (New York: New York Foundation Press, 1999), pp. 556-557.

⁵⁰ See ‘The Digital Millennium Copyright Act’, available online at <http://www.gseis.ucla.edu/iclp/dmca1.htm>.

community had been watching the United States' progress with great interest because the United States is considered to be the most advanced country in terms of the law governing the internet, and they want to see the results of these effort before deciding whether they want to use the same models.⁵¹

4.5.2 The problem:

Since the USA can be said to be 'the motherland of the computer network technology' thus they were the first to encounter the challenges and impact of the technology towards copyright protection.⁵² It is clear that anyone who makes copies of, or distributes a copyrighted work without the consent of the owner, will be liable under copyright law. This includes innocent infringement. In the infringement action the copyright owner can ask for injunctive relief and also monetary damages. Unfortunately, with the development of the internet, anyone would be able to copy these copyrighted works which are posted at renegade sites for free.

Therefore some of the copyright owners have taken legal actions, and the target is usually the internet service provider (ISP) who is responsible for linking users to those sites because it is difficult to detect the sites in cyberspace that caused the infringement. Even educational institutions and libraries in their capacity as OSPs (Online Service Provider) store information in the server and link users to sites by providing software. These acts are considered as exclusive rights of the copyright owners under the copyright law.

The act of assisting someone to violate copyright is known as 'vicarious' or 'contributory' infringement and these acts are forbidden under the Copyright Act. Thus the approval of Congress of the online copyright infringement liability limitation as part of the Digital

⁵¹ See McEvedy, Victoria, 'The DMCA and the E-Commerce Directive', 2002, E.I.P.R., p. 65.

⁵² See Makeen, Makeen Fouad, Copyright in a global information society, (Netherlands: Kluwer Law International, 2000), pp. 303-304.

Millennium Copyright Act will ultimately remedy the OSP's exposure to the copyright infringement claims, especially monetary damages.

Although it will not relieve the OSP totally from the possibility of an injunction or other legal actions, it will definitely serve as a defence against any action for copyright infringement in a similar way to other copyright defences, such as the fair use doctrine.

It seems that the main tool to handle unauthorised dissemination in USA is the reproduction and distribution rights. As regards reproduction right, the word 'copying' refers to act that will amount to an infringement of authors' exclusive rights. In Vault Corp. v Quaid Software Ltd.⁵³ it was decided that the act of loading a computer program from a permanent storage medium into a computer's random access memory (RAM) was considered as reproduction. This decision was followed by MAI System Corp. v Peak Computer Inc. where the court concluded that when the unauthorised computer program being transferred to the RAM that was when the reproduction happened.⁵⁴

4.5.3 The Digital Millennium Copyright Act:

The U.S administration in 1994 set up an Information Infrastructure Task Force to plan for and implement the National Information Infrastructure (NII). The task force included the Information Policy Committee, dealing with issues relating to the use of information on the NII. As part of the Information Policy Committee's work, a working group on Intellectual Property Rights was set up, chaired by the U.S Commissioner of Patents and Trademarks. After issuing a preliminary draft report in July 1994 and taking both oral and written evidence from a large number of interested organisations and

⁵³ 848F. 2d 255 [5th Cir.1988], p. 260.

⁵⁴ See Makeen, Makeen Fouad, Copyright in a global information society, (Netherlands: Kluwer Law International, 2000) pp. 304-305.

individuals, the working group issued its final report in September 1995. After examining the existing state of the U.S law, and the arguments for and against intellectual property protection for various kind of information on the NII, the working group proposed to deal with the main problems that it perceived arising from dealings with works in cyberspace by amending the U.S Copyright Act.

The U.S Copyright law was amended by Title 1 of the DMCA in order to fall in line with both WIPO WCT and WPPT. The contracting parties are required under two major provisions in the WIPO Treaties to make provision for legal remedies against circumventing technological protection measures as well as tampering with copyright management information, The DMCA has inserted a chapter into Title 17 of the U.S Code, that is chapter 12, in order to fulfil the obligation of this provision. Any unauthorised access to a work by way of circumventing a technological measure placed by the copyright owner is prohibited by the DMCA because this protection measure is meant to monitor access to copyrighted works of the owner.⁵⁵ Anyone who manufactures or provides technologies, products and services which are used as tools to go against the technological measures of controlling access, commits an infringement under the DMCA.⁵⁶ This is to assist the copyright owner with the enforcement of the copyright of his work.

Likewise, the manufacture and distribution of the means of circumventing technologies protecting the rights of a copyright owner is prohibited by the DMCA. The prohibition only covers certain devices. Firstly, those designed or produced mainly for the purpose of circumvention. Secondly, those devices that have only a limited commercially significant purpose or use other than circumvention. Thirdly, devices that are marketed for use in circumvention.⁵⁷ This is to enable the devices that are legal to be made and sold continuously.⁵⁸ Under the WIPO (WCT) and (WPPT), the contracting countries provide protection to certain type of works created in other contracting countries. Section 102 (b) of the DMCA amends section 104 of the Copyright Act and inserts new definitions to section

⁵⁵ See section 1201(a) DMCA.

⁵⁶ See section 1201 (2) DMCA.

⁵⁷ See section 1201(2)(A) (B) (C) DMCA.

⁵⁸ See Band, Jonathan, 'The Digital Millennium Copyright Act', available online at <http://www.arl.org/info/frn/copy/band.html>.

101 of the Copyright Act in order to extend the protection of U.S law to those works required to be protected under the WCT and WPPT.

Under title II of the DMCA, one section to the Copyright Act (section 512) was inserted. This section grants four safe harbours which will protect ISP from any action for copyright infringement. Any ISPs who could qualify themselves within the safe harbour provision may escape from paying monetary fines and facing injunctions.

The four safe harbours are as follows:

- Transitory digital network communication.(s. 512 (a)),
- system caching - ISPs temporarily and automatically store material made available by others online (s. 512 (b)).
- User storage - ISPs store material at the direction of a user (s. 512 (c)).
- Information location tools - ISP which refers or links users to online locations by directory, index, reference, pointer or hypertext (s. 512 (d)).⁵⁹

The “service provider” is defined by the statute as an entity that transmits, routes and connects users to online communications or provides online or network services, such as storing digital material, caching or providing location tools. It is required that an OSP has to be passive when dealing with copyrighted material available through its network. The OSP are not allowed to put up any material online, make any changes in the content, store the material for longer than required, and provide the location tools. It is also required the OSP system operates automatically and that the recipients of transmissions cannot be chosen by OSP. The OSP are not allowed to get direct profit from any infringement.⁶⁰

A few selected legal issues regarding internet have been discussed in the third chapter. However in this chapter the US law regarding the issues in question will be examined in order to know whether there is a provision of law on that matter.

⁵⁹ See McEvedy, Victoria, ‘The DMCA and the E-Commerce Directive’, 2002, *E.I.P.R.*, pp. 65-67.

⁶⁰ See ‘The DMCA, highlights of new copyright provision establishing limitation of liability for online service providers’, available online at <http://www.arl.org/info/frn/copy/osp.html>.

As regards the first issue that is accessing web page where the issues on browsing and temporary storage in RAM have been discussed. This issue has been addressed by the US law under Section 512 (a) of the Copyright law of the U.S that is the first safe harbour which states that service providers are protected from action of infringement when they transmit, route or provide connections for materials through a system or network controlled or operated by service provider by intermediate and transient storage of that material in the course of such transmitting, routing or providing connections if they fulfil the certain conditions:

- “At the direction of a person other than the service provider the transmission of the material was initiated.
- Through the automatic technical process the transmission, routing, provision of connections or storage is carried out without selection of material by the service provider
- The service provider does not do the selection of the recipients of the materials
- No copy of the material made by the service provider in the course of such intermediate or transient storage is maintained on the system or network in a manner ordinarily accessible to anyone other than anticipated recipients and the copy of the material is maintained in the system only for the period necessary for transmission.
- No modification is made to the content of the material while it is being transmitted through the system.”

From the above section basically the safe harbour covers the service provider’s activities in acting as a conduit such as transmitting, routing or providing connection for material through its system and also for intermediate and transient storage of material in carrying out those activities. This section covers the legal issue on accessing web page which was discussed in the first chapter. The second safe harbour provided under the DMCA is relevant to one of the legal issues discussed in the third chapter that is caching. Caching is where the material is available in temporary storage for online users.

The DMCA provides the second safe harbour that is the system of caching where the ISPs are allowed to make the intermediate and temporary storage of material on a system or network controlled or operated by or for the service provider in the case where the material

is made available online by a person other than the service provider.⁶¹ The material is transmitted through the service provider's system to the third party at the request of that third party. However, in order to qualify for the exemption from the liability of the immediate and temporary storage of material, the service provider has to fulfil a few conditions. Firstly, no modification must be made to the content of the material transmitted by the service provider to the subsequent user.

Secondly, the service provider is required to follow rules regarding updating the material specified by the person making the material available online by way of generally accepted industry standard data communications protocol for the system through which that person makes the material available except when those rules are not used by the person to prevent or unreasonably impair the intermediate storage. Thirdly, the service provider must not interfere with the technology associated with the material that return certain information to the originator only if this technology does not interfere with the performance of the provider's system and is consistent with generally accepted industry standard protocol.

Fourthly, if the originator imposed a condition that a person has to meet before having access to the material such as a payment of a fee or provision of a password or other information, the service provider must allow users to have access to network only if they have met those conditions. Finally, if the original material from which the cached copy was made has been removed or blocked and a copyright owner provides notice to the service provider must act expeditiously to remove or block access to the cached material that the copyright owner alleges is infringing.

The third safe harbour is for system storage where the service provider is exempted from liability for copyright infringement based on material stored at the direction of a user of material that resides on a system controlled by service provider if the service provider meets certain conditions:

- The service provider does not know that the material or activity using the material on the system is infringing

⁶¹ See Section 512(b) Digital Millennium Copyright Act.

- The service provider are not aware of facts or circumstances from which infringing activity is apparent or
- Once the service provider gain knowledge, the service provider must act expeditiously to remove or disable access to the material.
- The service provider must not gain a financial benefit directly attributable to the infringing activity
- The service provider must act upon notification of claimed infringement by removing or disable access to that material.

The legal issue on linking has been discussed in the third chapter. It is interesting to know whether the US provided for this issue in the DMCA. It seems that the US law has provided for this issue under the final safe harbour that is the information location tools. The service provider is exempted from liability for infringement of copyright by the act of the provider referring or linking users to an online location if the service provider does not know that the material is infringing and not aware of facts or circumstances from which infringing activity is apparent.

The service provider has to remove or block access to the material once they have knowledge of these acts. The service provider must not get any financial benefit directly attributable to the infringing activity in cases where the provider has the right and ability to control those activities. The service provider has to remove or block access to the materials that is claimed to be infringing once they are notified of the claimed infringement.

All requirements above must be satisfied if an institution performs all the OSP functions. These requirements could be summarised by breaking it into three categories:

(a) Material:

Someone other than OSP must make the material available online. The OSP is not allowed to make any modification to the material. During the intermediate storage no copy of the material can be stored longer than necessary. The OSPs do not have any knowledge and are not aware of facts or circumstances from which infringing activity is apparent. The OSP must remove or block access to the site once aware of this infringing activity.

(b) Parties to the transmissions:

At the direction of another person the transmission is initiated and must be sent to another. During the intermediate storage no copy of material can be made accessible to another person. The OSPs are not allowed to choose recipients. In cases where the OSP has right and ability to control the activities then they are not allowed to get a financial benefit directly attributable to the infringing activity.

(c) Procedures:

All the transmission, routing, provision of connections have to be done through an automatic process. Rules concerning refreshing, reloading or updating of material have to be satisfied by the OSPs. The OSP must not interfere with the technology associated with the material for instance access requirement or preconditions for use. The OSPs are required to follow the “notice and take-down” procedures and “counter notice and put back” procedures.⁶²

It was the DMCA’s aim to give protection from liability but the ISPs have to fulfil a “myriad of minute circumstances”. It seems that similar conditions apply to two of the safe harbours namely user storage and information location tools where a service provider:

- (a)“(i) does not have actual knowledge that the material or an activity using the material on the system or network is infringing;
- (ii) in the absence of such actual knowledge, is not aware of facts or circumstances from which infringing activity is apparent or;
- (iii) upon obtaining such knowledge or awareness, acts expeditiously to remove, or disable access to, the material;
- (b) does not receive a financial benefit directly attributable to the infringing activity...[where] the service provider has the right and ability to control such activity; and
- (c) upon notification of claimed infringement as described in paragraph (3), responds expeditiously to remove, or disable access to, the material that is claimed to be infringing or to be the subject of infringing activity”...⁶³

⁶² See ‘The Digital Millennium Copyright Act’, available online at <http://www.arl.org/info/frn/copy/osp.html>.

⁶³ See McEvedy, *op. cit.*, pp. 65-67.

The OSP will not be liable to any monetary claim for copyright infringement for a particular activity if the OSP's activity falls under one of the safe harbours provisions.

The possibility of issuing an injunction against OSP will be limited if the OSP qualified under the safe harbour. The court under the safe harbour can issue an injunction in order to stop the OSP from giving access to users that cause the infringement by terminating the account of that user. The court may issue an injunction to the OSP relating to safe harbour for caching, system storage and also the information tools where the OSP will be stopped from giving access to infringing material at certain site on the OSP's system.⁶⁴

"Notice and Take Down" Procedure:

The "notice and take down" is a new rule applied to both the copyright owner as well as the OSPs. The OSPs are required to remove the copyrighted material or disable public access to that particular site in cases where the OSPs themselves are aware of the infringement or if content owners feel that certain site had misused copyrighted material and they have notified the OSPs according to the statutory procedures. The Act will give an exemption to the OSP who in good faith removes or blocks access to the material which has been cache, stored at a user's request, or referred users to, either because the OSP has received notice from the copyright owner or because the OSP aware of the information from which the infringing nature of the material is apparent. If at the User's request, the OSP had removed or blocked material stored on the OSP's system because the OSP had received a notice from the copyright owner alleging infringement, the OSP must then take additional steps designed to protect the user's rights and probably have to put the material back on the system.

The users must be notified by the OSP that the material has been removed or blocked. The next step is for the user to send a 'counter notification' to the OSP stating that the removal or blocking was a result of a mistake or a misidentification of the material. In the case where 'counter notification' fulfil the statutory requirements, the OSP must provide a copy of the counter notification to the copyright owner if the OSP is to remain exempt from the

⁶⁴See Jonathan Band, 'The Digital Millennium Copyright Act', available online at <http://www.arl.org/info/frn/copy/band.html> (accessed 08/04/2000).

liability. The OSP has to replace or unblock the material within 10 to 14 business days of receiving the counter notification unless such copyright owner then notifies the OSP that the owner has filed a court action seeking to restrain the alleged infringement.⁶⁵

As a leader in the internet, The US through the Copyright Act and the DMCA have provide provisions which are significant to solve some of the legal problems created by the internet. A few selected legal issues have been discussed in chapter 3 and the US Copyright law and DMCA have be examined in context of those issues in order to know how far these provisions help to solve those issues. As regards the issue on transient storage as in RAM, section 512 of the safe harbour has provided, the protection from action for infringement, for the ISP who transmit, route or provide connections for material by way of intermediate and transient storage of the material in the course of transmitting it through network which is under the ISP's control.

In the course of providing such connection the ISPs are protected from action of infringement if the transmission of the material was initiated by a person other than the service provider. Another point is that the ISP is protected under the safe harbour if he is not involve in the selection of material and the process of the transmission, routing, provision of connections or storage is done through the automatic technical process. The ISP also protected from infringement action if the ISP does not involve in the process of the selection of the materials and there is no copy of the material made by the service provider in the course of such intermediate or transient storage is maintained on the system or network in a manner ordinarily accessible to anyone other than anticipated recipients and the copy of the material is maintained in the system only for the period necessary for transmission.

The ISP will not be liable for infringement if there is no modification is made to the content of the material while it is being transmitted through the system. The second safe harbour is relevant to the second selected legal issue that is caching where the ISP can make the

⁶⁵ See Jonathan Band, 'The Digital Millennium Copyright Act', available online at <http://www.arl.org/info/frn/copy/band.html> (accessed 08/04/2000).

temporary storage of material on a system operated by or for the service provider where the material is made available online by another person. This is where the material is transmitted through ISP's system to the third party at the request of that third party. The ISP has to fulfil few conditions before this safe harbour can be applied. The ISP's are not allowed to make modification to the content of material transmitted by ISP to the subsequent user. The ISP also has to follow rules regarding updating the material specified by the person making the material available online by way of generally accepted industry standard data communication protocol for the system through which that person makes the material available.

There is also a provision in the safe harbour that relates to the selected legal issues that is linking. Under the safe harbour the ISPs will not be liable, for the action for infringement of copyright, by their act of referring or linking users to online location containing, infringing material by using information tools such as a directory, index, reference, pointer or hyper link if he is ignorant that the material is infringing and unaware of facts or circumstances from which infringing activity is apparent.

However the ISP has the responsibility to remove or block the material once they have knowledge of these acts. The ISPs are not allowed to gain any financial benefit directly from the infringing activity if the activities are within their control. When notified of the claim of the infringement, the service provider has to remove or block access to the materials that is claimed to be infringing. The OSP has to fulfil requirements that can be summarised into three categories. Firstly material, where the material made available online has to be created by someone other than the OSP and no modification to the material is allowed. Secondly parties to the transmissions where the transmission is initiated at the direction of another person and it is sent to another.

4.6 Conclusion:

The digital technology changes rapidly over the years and it is a huge challenge for the law to keep abreast with it. The copyright holders were concerned about their rights and lobbied for more strict regulation. At the international level WIPO played an important and active role in securing protection of the copyright owners towards their copyrighted works in digital format. Realising the vulnerability of the on-line copyrighted works which can be infringed and exploited by the public, WIPO, starting with the Berne Convention and followed by few more treaties addressed this issue. It can be seen under Article 9 of the Berne Convention where it provided protection to the reproduction right which applies to digital environment which covers the storage of works in digitised form on electronic medium including uploading and downloading a work into or from computer memory. It also reflects the international stands regarding reproduction right, that it is not only limited to permanent copies of a work. Further protection comes from the WCT where it offered protection for computer programs where section 4 WCT expressly stated that the computer program is protected as literary works. However the most significant section in WCT is Article 8 which provides protection for the internet. WIPO through another treaty that is WPT also recognised the need to achieve a balance between the right of the performers, producers of phonograms and larger public interest. Over the years WIPO has fulfilled its role as international body that is responsible for the Intellectual Property protection and through its treaties, the protection of copyright particularly in coping with the technological challenges has been addressed.

At the regional level the Copyright Directive aims to provide a framework for copyright protection and online content that applies to all EU Member States.

In an attempt to solve the problems brought about by the internet the Directive expressly provides mandatory exception regarding temporary reproduction under Article 5. Under this Article temporary acts of copying are allowed. This temporary acts of copying includes transient or incidental, an integral and essential part of the technological process and whose sole purpose is to enable either the transmission in a network between third parties by an

intermediary which have no independent economic significance. In the UK CDPA, fair dealing with a work for the purposes of research is allowed and it covers research for commercial purposes. The Directive on the other hand, limits the exception to research for non-commercial purposes. The consultation paper adopted this provision and will make an amendment to the CDPA. Unfortunately the commercial organisations have to obtain a licence if they want to photocopy or download material for internal research purposes. This has an implication on the researchers because the librarians and archivists will not be able to provide copies to them. However the UK Government has a different approach regarding using a work for private study where this is considered as having minimal impact on copyright owner. They should not be given “fair compensation” as required in the Directive.⁶⁶ The word ‘research’ in respect of all works under section 29 of CDPA has been limited to ‘non-commercial purposes’ in order to correspond to Article 5.3(a). The USA, which is the leader in the internet come up with further protection especially to ISP from any action for copyright infringement. Through the US Copyright Act and DMCA it deals with this issue where under title II of DMCA one section to the Copyright Act section 512 provides for the safe harbour which protect ISP from any action for copyright infringement. Safe harbour touched 4 areas that are transitory digital network communication, system caching, user storage and information location tools.

⁶⁶ See Harmonisation of Certain Aspects of Copyright and Related Rights in the Information Society (“The Copyright Directive”) available online at <http://www.mda.org.uk/mcopyg/ec.htm>.

Chapter 5

The Current Copyright Law in Malaysia

5.1 Introduction:

The first part of the chapter will examine the current copyright law of Malaysia. The changes in the law that the government had initiated which are relevant to the selected issues in chapter 3 will be discussed. The analysis will be made in order to establish how Malaysia deals with the selected issues and whether there is a sufficient law dealing with them. The second part of the chapter will examine the development of Malaysia in terms of the technology in general. The steps taken by the Malaysian government in order to cope with the technology challenges in particular to the copyright law will be examined. This chapter purely describes the current issues and the proposal for improvement will be discussed in the next chapter, that is the conclusion.

Since Malaysia gained its independence in 1957, it has successfully steered the economy towards rapid economic and social development. The achievement is due to pragmatic, forward-looking and progressive policies adopted by the government. Some other factors contributing to the success achieved by the nation are its political stability, and abundant natural resources, as well as the enterprise and resourcefulness of the people. Over the past four decades the Malaysian economy has seen tremendous change. The Malaysian economy went through two waves of development: firstly, the agricultural wave from 1957-1975, and secondly, the industrial wave of 1976 to 1995. At the moment the economy is going through major adjustments brought about by the third wave, which is the information wave. The advances of Information and Communication Technologies (ICT) catalysed the change of the current wave, and were also responsible for the changes to the global economic landscape. The government

embarked on a new strategy to increase productivity and to push for major structural adjustment after anticipating that the earlier economic model for development, adopted during the Industrial wave, is no longer sustainable. To enable the transition of existing industries from being production-driven to being knowledge-driven, macroeconomic policies and strategies are put in place to spur the growth of new industries.

In 1991, the former Prime Minister Tun Dr. Mahathir Mohamed enunciated the long-term plan for the nation – Vision 2020 – with which a knowledge-based economy was planned. Vision 2020 is a vision to bring the nation to a developed status by the year 2020. In order to achieve this goal, many socio-economic policies have been aligned to support it. When tabling the Third Outline perspective plan, covering the 10 year period between 2001-2010, it was stressed that, although Malaysia is moving toward knowledge-based economy, this does not mean that it is abandoning existing productive activities in favour of exclusively high-tech activities. It actually means having greater knowledge inputs in order to yield much higher returns.

Accordingly, these policy thrusts were then translated into strategies and programmes under the Eighth Malaysia Plan, the nation's five year development plan covering the period from 2001 to 2005. The present development strategies relied heavily on the extensive and pervasive applications of information and communications technologies, both to improve productivity as well as to promote new business activities.¹ Therefore this chapter will examine how far measures have been taken by the Government of Malaysia in realising its goal to establish a knowledge-based economy as well as a knowledge-based society.

5.2 The development of Malaysian Copyright law from the 1990 Amendment until the present:

Malaysia is hugely committed to the development of technology and this will be discussed in the second part of the chapter. However, the question here is how

¹ See Shafie, Halim, 'Moving Forward to The Economy the Malaysian Experience', 2002, Multimedia Malaysia, Vol.1, Issue 2, p. 8.

Malaysian law copes with the technology challenges and whether the protection provided is adequate. Therefore the development of the copyright law since the Copyright (Amendment) Act 1990 will be examined in this chapter. The early development of copyright law in Malaysia has been dealt with in the first chapter.

On 1 October 1990, Malaysia formally acceded to the Berne Convention and to extend the application of the provisions of the 1987 Act to member countries of the Berne Convention, the Copyright (Application to other countries) Regulations 1990 were passed. The Regulations were made pursuant to section 59A, which was added to the 1987 Act to empower the minister in charge to apply any of the provisions of the 1987 Act to any country or works of foreigners. For example, in a situation where a work is unpublished or published in a non-member country, that work is protected if the author is a citizen or resident of a member country at the time the work was made or published. The Regulations provide for the application of the Act to member countries (referred to in the Regulations as 'specified countries') in relation to works which are covered by the convention, such as literary, musical or artistic works, or films first published in any of the specified countries; works derived from literary, artistic or musical works or films; works of architecture erected in the specified countries or other artistic works incorporated in buildings located in specified countries; and works made in the specified countries. The Act also applied to works by citizens, or residents of, or and corporate bodies incorporated in the specified countries.

In relation to works such as sound recordings, broadcasts and published editions are concerned, all of which are not covered by the Berne Convention, only the provisions relating to sound recordings have been extended to apply to the U.S. Both the 1990 Amendment Act and the 1990 Regulations apply to works made before, as well as after, the commencement of the Act and Regulations respectively. They do not however have the effect of reviving any copyrights which may have expired prior to 1 October 1990.² To make the provisions of the Copyright Act 1987 compatible with the Berne Convention, the 1990 Amendment Act has introduced various changes to the parent Act.

² Khaw, Lake Tee, 'Legislation Copyright', 1990, Survey Malaysian Law, pp. 199-200.

The Copyright Act 1987 (the principal Act) was amended by substituting for section 2 the following: “(1) Subject to this section and section 59A and regulations made under section 59A, this Act shall apply in relation to works made before the commencement of this Act as it applies in relation to works made after the commencement of this Act.”

The definition of ‘derivative works’ was inserted and it means the works mentioned in paragraphs (a) and (b) of subsection (1) of section 8. Subsection (1) of section 8 of the principal Act is amended by substituting for the word “literary, musical or artistic works” appearing in paragraphs (a) and (b) the words “works eligible for copyright.”

The definition of ‘computer program’ also has been amended as “an expression, in any language, code or notation, of a set of instructions (whether with or without related information) intended to cause a device having an information processing capability to perform a particular function either directly or after either or both of the following:

- (a) conversion to another language, code or notation
- (b) reproduction in a different material form.”

The definition of the ‘artistic work’ has been amended to include “(a) a graphic work, photograph, sculpture or collage, irrespective of artistic quality; (b) a work of architecture being a building or a model for a building; or (c) a work of artistic craftsmanship.”

The 1990 Amendment Act has deleted the section 24, which provided that it was not an infringement of copyright for the government of Malaysia to use or reproduce or adapt a work in any form. The section did not specify the purposes for which use by or on behalf of the government was permissible nor did it attach any pre-conditions to such use. The right to use any copyright work was, however subject to the payment of adequate compensation to the owner of the copyright, although the Act itself was silent as to how such compensation might be determined or how disputes regarding the amount payable might be resolved. The width and scope of section 24 as well as the lack of a proper mechanism to determine the amount of compensation were seen as being contrary to the Berne Convention, in particular article 9. The said article provides for the right of reproduction but allows exceptions to be made in certain special cases

where reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author.³

The Amendment Act under section 3, also deleted the definition of 'communication to the public'. The Amendment Act has substituted the exclusive right to control the communication of the work to the public under section 13(b) with the right to control the 'performance, showing or playing to the public'. The 1990 Amendment Act has amended the definition of 'literary works', for paragraph (h) "computer programs or compilations of computer programs, but does not include official texts of the Government or statutory bodies of a legislative or regulatory nature, or judicial decisions." Subsection (2) of section 13 of the principal Act is also amended by inserting immediately after the word 'criticism' appearing in paragraph (a), the word "review". The phrase "incidentally included in a broadcast" appearing in paragraph (a) was replaced by the words "in connection with the doing of any of such acts for the purposes of non-profit research, private study and the reporting of current events by means of a sound recording, film or broadcast".

Several new exceptions have been added to section 13 (2). The paragraph (e) of section 13 was substituted as follows: "(e) the incidental inclusion of a work in an artistic work, sound recording, film or broadcast." Immediately after paragraph (f), the new paragraph (ff) was inserted:

"(ff) any use of a work for the purpose of an examination by way of setting the questions, communicating the questions to the candidates or answering the questions:

Provided that a reprographic copy of a musical work shall not be made for use by an examination candidate in performing the work;"

Previously, only derivative works of literary, musical or artistic works were protected. A new section 13(2)(gg) permits the making of a sound recording of a broadcast or a literary, dramatic or musical work, sound recording or film included in a broadcast if such sound recording of a broadcast is for the private and domestic use of the person by whom the sound recording is made. A similar exemption is provided under section 13(2)(ggg) with respect to off-the-air taping of films. It should be noted that these exemptions do not extend to cover the taping of sound recordings and films themselves.

³ *Ibid.*, p. 200.

Such activities, unless within any of the other exceptions under section 13(2), remain infringing acts. Section 13(2)(1) which permits any use of a work for the purpose of any judicial proceeding or of any report of any proceedings or for the purpose of the giving of professional advice by a legal practitioner, has now been widened to include use of a work in the proceedings of a royal commission, a legislative body and a statutory or government inquiry.

Other changes have also been introduced for example the scope of derivative works under section 8 has been extended to include all works eligible for copyright.⁴ The paragraph (k) in the principal Act was substituted for the following:

“(k) the performance, showing or playing of a work by a non-profit making club or institution where such performance, showing or playing is for charitable or educational purpose and is in a place where no admission fee is charged in respect of such performance, showing or playing;”

The Copyright Act 1987 was amended again in 1996 and, generally, the aims of the Amendment Act are as follows: firstly to “exclude from copyright protection functional articles and make a distinction between those designs which are protectable as copyright and those which are not,.” secondly, “to expand the power of the Copyright Tribunal to facilitate arbitration of disputes on matters relating to licensing schemes.” The Copyright (Amendment) Act also empowers the Controller or Deputy Controller of Copyright to compound certain offences under the Act.

Among the changes made under the Amendment Act is the definition of ‘reproduction’ where in the Principal Act it was defined as “the making of one or more copies of work in any form or version”. However, the Amendment Act substituted this with the following definition which includes reproduction of the artistic work in two dimensions to three dimensions and vice versa:

“...and in relation to an artistic work includes the making of a copy in three dimensions of a two-dimensional work and the making of a copy in two dimensions of a three-dimensional work, and “reproducing” shall be construed accordingly”.

⁴ See Khaw, Lake Tee, ‘Intellectual and Industrial Property Law’, 1990, Survey of Malaysian Law, pp. 199-201.

The new definition of reproduction above specifically provides for the reproduction in respect of artistic work.

The definition of an “artistic work” prior to the Amendment Act comprised of a list of items such as painting, drawings, maps, plans, works of artistic craftsmanship and others.⁵ In the case of Peko Wallsend Operations Ltd v Linatex Process Rubber Bhd.,⁶ the Supreme Court affirmed the decision of the High Court and held that all designs which originated as drawings, regardless of the artistic quality, were capable of being protected by copyright. The new definition has been introduced by the Amendment Act and “artistic work” now has been defined as a graphic work, photograph, sculpture or collage, irrespective of artistic quality, a work of architecture or a work artistic craftsmanship.⁷

Of greater importance are the provisions dealing with designs which are also copyright works, or more specifically, artistic works. The intention of the legislature, as set out in the Explanatory Statement to the Bill, appears, firstly, to remove the overlap between copyright and design protection for designs which are also artistic works, and secondly, to deny copyright protection for functional designs. The first is sought to be achieved by providing in a new section 7(5) that copyrights shall not subsist in any registered design. To avoid a situation where design registration is deliberately sidestepped so as to obtain the benefit of copyright protection, section 7(6) denies copyright protection for a design which is “capable of being registered” but which has not been registered as soon as there is any application of that design to an article and that article has been reproduced, with the consent of the copyright owner, more than 50 times by an industrial process. In other words, copyright in any unregistered design which is capable of being registered ceases upon industrial application. Functional designs are dealt with in section 13A, which refers to “a design document or model which records or embodies a design for anything other than an artistic work or a typeface”. A “designed document” is any record of a design, whether in the form of a drawing, a written description, a photograph, or data stored in a computer or otherwise”, whilst a design is “the design of any aspect of the shape or configuration.”

⁵ Khaw, Lake Tee, ‘Recent Amendments to Malaysian Copyright law’, 1997 2 EIPR 82

⁶ [1993] 1 MLJ 225

⁷ Khaw, *op. cit.*, 82.

The Copyright (Amendment) Act 1996 has added a new Part IVA, entitled "Copyright Licensing", which deals with, amongst other things, the new functions of the Copyright Tribunal. Generally, its new functions are to hear and determine any reference of the terms and conditions of a licensing scheme proposed to be operated by a licensing body or previously referred to the Tribunal (section 27B and 27D); to hear and determine disputes between applicants for a licence under a licensing scheme and the operator of the scheme (section 27C).

The Malaysian Copyright Act 1987 ('the Parent Act') was amended by the Copyright (Amendment) Act 1997 ('the Amendment Act') in order to conform to the international treaties and to embody into domestic law the concepts and provisions of these treaties. The Amendment Act also addressed the development in technology especially the internet. This brings Malaysian Copyright law in line with the WCT and WPPT and puts Malaysia's developments within the international context. Malaysia had launched the Multimedia Super Corridor (MSC) in 1996 and this is the government's project for research and development. The Cyberlaws were enacted in order to provide the protection to the consumers against the infringements of their rights and also for the government to have control over the cyberspace. The Copyright (amendment) Act 1997 is among one of the Cyberlaws. The MSC project and the Cyberlaws will be discussed in the second part of the chapter.

According to the explanatory statement to the copyright (Amendment) Bill 1997, the main objective of the amendments was to ensure that Malaysia's laws are to conform to the international developments and to assist the Multimedia Super Corridor in achieving its aims. It seems that the success of the Multimedia Super Corridor very much depends on copyright protection provided for contents, for instance copyright works.

The significant changes made by the Amendment Act to the Parent Act can be seen from several categories such as: (i) the redefinition of the meaning of 'broadcast'; (ii)

the amendment to the exclusive rights of a copyright owner (iii) the amendment to the scope of moral rights; (iv) the introduction of new acts of infringement and offences and (v) the redefinition of certain terms in the parent Act.⁸ The new definition of 'broadcast' means 'a transmission, by wire or wireless means, of visual images, sounds or other information which (a) capable of being lawfully received by members of the public; or (b) is transmitted for presentation to members of the public, and includes the transmission of encrypted signals where the means for decrypting are provided to the public by the broadcasting service or with its consent'.⁹

The WCT grants an exclusive right under Article 8 which provides 'Without prejudice to the provisions of Arts 11(1)(ii), 11bis(1)(i),(ii), 14(1)(ii) and 14bis(1) of the Berne Convention, authors of literary and artistic works shall enjoy the exclusive right of authorizing any communication to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them.' This Article was in response to the 'on-demand' services where a work, material or other subject matter are stored in a digital format is made available to the public or individual members, in such a way that they may access its transmission individually, in relation to time and place to other digital unit 'on-demand'.

The article was adopted by Malaysian Copyright (Amendment) Act 1997 in section 13(1)(aa).¹⁰ There is a significant change under section 13 where the provision on the exclusive rights to control 'the broadcasting' and 'the communication by cable' of a work has been cancelled. It has been replaced by a new right, that is section 13(1)(aa) of the Parent Act, which provides for the right to control the communication of copyright works to the public. The new definition of the 'communication to the public' has been inserted in section 3 and has been defined as "the transmission of a work through wire or wireless means to the public, including the making available of a work in such a way that members of the public may access the work or live performance from a place and at a time individually chosen by them."

⁸ See Tay, Pek San, 'Intellectual Property', 1999, Survey of Malaysian Law, p.295.

⁹ The scope of works which, can be classified as, broadcast is wider and has extended the meaning of 'broadcast' to include visual images, sounds or other information.

¹⁰ See Ong, Rebecca, 'Copyright in the digital age', 1999 3 MLJ p. cxviii.

The new provision includes transmission of works in a digital environment and also acknowledged the fact that the ways that the dissemination of copyright works to the public has been changed by the digital technology. The aim of having this new definition is to cover the on-line interactive environment of digital technology and the internet.

The new technology consists of the transmission of works in a digital environment. This shows that it recognises that the technology has created a new medium in which the copyright works can be disseminated to the public. The new right consists of two aspects. Firstly, the active transmission of copyright works to the whole public like the traditional way of communicating to the public for example through radio and television broadcasts. Secondly, communication by way of interactive networks for instance the internet and other interactive on-demand communication. It is difficult to identify the limit to the right to control the communications of copyright works to the public because it is broad: besides, there are no guidelines or definition as to who constitute 'the public' from the Parent Act.¹¹

The term 'literary works' has been amended in order to cope with the new digital challenge. The new literary works definition includes tables or compilations, whether or not expressed in words, figures or symbols and whether or not in visible form. From the wording of this definition '...whether or not expressed in words, figures or symbols and whether or not in a visible form', it may be interpreted that for the database, it can include electronic databases.¹²

No attempts were made to amend the reproduction right under the Amendment Act to include the making of copies of work in an electronic form, or to include the transmission of work electronically or in an electronic form. or to cover the storage of works in an electronic medium. However, the reproduction right as stated in Art. 9 of the Berne Convention, and the exceptions permitted thereunder, fully apply in the digital environment, in particular to the use of works in digital form. It is understood

¹¹ See Tay, *op. cit.*, pp. 297-298.

¹² See Ong, *op. cit.*, p. cxvi.

that the storage of a protected work in digital form in an electronic medium constitutes a reproduction within the meaning of Art 9 of the Berne Convention.¹³

Section 36 of the Copyright Act 1897 was amended in response to Arts 11 and 12(1)(i)(ii), (2) of the WCT to cater for technological measures and rights management information. The Copyright (Amendment) Act 1997 has to some extent met its objectives by introducing a new exclusive right of communication to the public.

In 2000 the Copyright Act of 1987 was amended again in order to implement the Agreement on Trade Related Aspects of Intellectual Property Rights 1994 (“TRIPS Agreement”). Malaysia is a signatory to the TRIPS agreement and that agreement requires the member countries to implement its obligations of the Agreement by the year 2000. The Principal Act provided protection for literary work, artistic, musical work, sound recording, film and broadcast but did not provide protection for performers. Such obligations include the protection for performers. The Copyright Act 1987 was amended for this purpose.

Certain new words and expression have been introduced and the new expressions used are related to performers’ rights such as “live performance”, “performer”, “performers’ rights” and “recording”. The definition of “live performance” was inserted under section 3 which includes

- “(i) a performance of a dramatic work, or part of such a work, including such a performance given with the use of puppets, or the performance of an improvised dramatic work;
- (ii) a performance of a musical work or part of such a work, or the performance of an improvised musical work;
- (iii) the reading, recitation or delivery of a literary work, or part of such a work, or the reading, recitation or delivery of an improvised literary work.
- (iv) a performance of a dance
- (v) a performance of a circus act or a variety act or any similar presentation or show; or
- (vi) a performance in relation to expressions of folklore, which is given live by one or more persons in Malaysia, whether in the presence of an audience or otherwise; but
- (a) does not include-

¹³ *Ibid.*, p. cxvii.

- (i) any reading, recital or delivery of any item of news or information
- (ii) any live performance of a sporting activity;
- or
- (iii) a participation in a live performance by a member of an audience.”

In the definition of “communication to the public” in Section 3 the words “or live performance” have been inserted after the word “work” and this new expression is related to performers’ rights. Under section 4 the following paragraph was inserted in order to clarify the meaning of publication in relation to live performances:

“(d) a live performance shall be deemed to have been published only if a copy or copies of the fixed live performance have been made available with the consent of the performer in a manner sufficient to satisfy the reasonable requirements to the public.”

The new section 16A on nature of performers’ right was inserted and it sets out the exclusive right of a performer in respect of his performance:

- “16A (1) Performers’ right shall be the exclusive right to control in Malaysia-
- (a) the communication to the public of a live performance, except where the live performance used in such communication is itself a live broadcast performance;
 - (b) the fixation of an unfixed performance;
 - (c) the reproduction of the fixation of a live performance if-
 - (i) the fixation itself was done without the performer’s consent;
 - (ii) the reproduction is made for purposes different from those for which the performer gave consent; or
 - (iii) the fixation was made in accordance with the provisions of subsection (3), and the reproduction is made for purposes different from those referred to in those provisions;
 - (d) the first making available to the public of fixation of a live performance, or copies thereof, through sale or other transfer of ownership; and
 - (e) rental to the public of a fixation of a live performance, or copies thereof, irrespective of the ownership of the copy rented.”

Section 27A of the principal Act is amended-

- (a) in subparagraph (a)(iii), by substituting for the words “broadcasting or communicating the work by cable” the words “communicating the work to the public”; and

(b) in subparagraph (b) (iii), by substituting for the words “broadcasting or communicating the work by cable” the words “communicating the work to the public”.

There was another amendment to the Copyright Act in 2002 when the Intellectual Property Corporation of Malaysia was established. This is only a little amendment, which concerns few sections. The most important point is the definition of the “corporation” which has been inserted and means “the Intellectual Property Corporation of Malaysia established under the Intellectual Property Corporation of Malaysia Act 2002”. Section 5 of the principal Act was amended and substituted by the following: “5 (1) The Director General of the Corporation shall be the Controller of Copyright.”

Although it has become a corporate body, the Intellectual property Unit is still under the Ministry of the Internal Affairs and Consumer protection.

The latest amendment to the copyright Act in 2003 concerns the power of arrest and compounding of offences. There is also an amendment on the powers of investigation under section 50 of the Copyright Act. In the third chapter, a few selected legal issues were discussed such as accessing web pages, caching, framing and linking. The UK CDPA, pre-EU Information Society Directive is quite similar to the Malaysian Copyright Act. This is because Malaysia followed closely the development in UK law and most amendments were based on UK law. As explained in the third chapter browsing is regarded as a common activity in internet and browsing involves making temporary copying. This is necessary, because the humans cannot otherwise perceive digital information. A similar point applies to storage in RAM where the data is in the form of binary digits. Since RAM is quite volatile and it needs a constant power supply, otherwise the data will be lost in case if the power is cut off, RAM can only be used as temporary storage.

The word ‘reproduction’ is defined under section 3 of the Malaysian Copyright law as “the making of one or more copies of work in any form or version and in relation to an artistic work includes the making of a copy in three dimensions of a two-dimensional work and the making of a copy in two dimensions of a three-dimensional work.”

Whereas “material form” means “in relation to a work or a derivative work includes any

form (whether visible or not) of storage from which the work or derivative work, or a substantial part of the work or derivative work can be reproduced.” The definition of “reproduction” in the Malaysian Copyright Act mentioned that the copies of works can be made in any form or version but does not state it has to be permanent. In the definition of “material form” also mention that a work or a derivative work includes any form whether visible or not but again it states nothing on whether it is permanent or transient.

Although there is no specific provision on this matter, given the advance in the technology it is submitted that this section should be interpreted as widely as possible to include transient copies. As discussed in the third chapter, the act of browsing is very important in the internet and it cannot work without it. The act of browsing requires transient copies to be made. Similarly the storage in the RAM where copies are made is transient in nature. Therefore it is submitted that both issues, browsing and storage in RAM, which involves the making of transient copies, fall under section 3 of the Copyright Act of 1987.

As regards the legal issue on linking, where the user would click on the link provided on one website that will bring the user to another person’s website, this becomes an issue because it is done without the permission of the owner of the second website. There is no specific provision on linking in the Malaysian Copyright Act. However section 36 provides that “copyright is infringed by any person who does or causes any other person to do, without the licence of the owner of the copyright, an act the doing of which is controlled by copyright under this Act.” This section shows that with the licence from the copyright owner any person can do an act, which is controlled by the copyright legally. In the internet, it can be assumed that people who create websites impliedly want other people to visit their websites by linking to their sites. Therefore, it is submitted that in the case of deep linking, the website owner gives an implied licence to the users to link to his website.

In relation to the issue on framing, there is no specific provision under the Malaysian Copyright Act. Therefore, reference has to be made to the law of other countries as precedent. The issue on caching will be discussed in the later part of the chapter under the Content Code.

From the interviews with the officer from the Ministry, the Attorney General Office and also MIMOS, it is clear that there are no Malaysian cases at present on the legal issues on the internet. In respect of the exclusive right of the copyright owner to control 'the distribution of copies of the work to the public by sale, rental, lease or lending', this right has been replaced with 'the right to control the distribution of copies to the public by sale or other transfer of ownership' by the Amendment Act.

5.3 The Communication and Multimedia Act 1998 (CMA 1998):

The separate industries of broadcasting, telecommunications and computing are converging rapidly into a single communications and multimedia industry. Information technology is transforming the way people live and work all over the world. The new digital technologies offer an unprecedented opportunity to dramatically improve our standard of living, and the quality of our lives, within a time frame previously undreamed of. The Communications and Multimedia Act 1998 (CMA 1998) marks a major milestone in Malaysia's efforts to design a comprehensive national policy framework for the convergence industries. It sets out the Government's objectives in fostering a self-regulatory framework for the communications and multimedia industry. In particular, it details arrangements for the establishment of Codes of practice designed to provide a framework for industry self-regulation by means of industry-developed codes.¹⁴

The Act was put in place as part of an infrastructure of cyberlaws, policies and practices, following the already-enacted Digital Signature Act 1997, Telemedicine Act 1997, Computer Crimes Act 1997 (where the emphasis is placed on the cyber world and policing) and the Copyright Act 1987 (where the emphasis is placed on content). The idea was to provide a comprehensive legal framework that protected the rights of citizens, the interests of businesses, and the integrity and soundness of flagship applications. It is the government's intention that this Act will improve the existing telecommunications industry, allow for smooth convergence within the communications and multimedia industry, develop information-based technology and multimedia services, and provide for interactive on-line services of the converging environment. In support, the Malaysian Multimedia and Communications Commission Act 1998

¹⁴See <http://www.cmc.org.my/index.asp>.

(MMCCA 1998) was passed to create a commission (Commission) to supervise the implementation of the Act. The Act does not define 'industry' or 'multimedia', but the present chairman of the Commission, Dr Syed Hussein Mohamed, has indicated that it includes broadcasting, telecommunications and the internet.

In fact, this convergence of industries could and should include the entertainment, music, computer and publishing industries. The fact that the Act has left the definition of 'industry' open and has not clearly indicated what type of industry falls within its ambit can be taken to mean that it does not want to be restricted, for fear that new emerging industries may take hybrid forms different from current traditional types. The word 'multimedia' does seem to suggest that it encompasses digitized literary, audio and visual works that combine text, graphics, audio, images or moving pictures that are transmitted electronically for consumption and use. The lack of definition for the word 'multimedia' and what constitutes an 'industry' does make it difficult for consumers to establish liability, responsibility or accountability, which may make it difficult to seek proper redress.

One of the highlights of the Malaysian Multimedia super-corridor was no censorship of the internet, which was guaranteed by the Government to all foreign investors. Section 3(3) of the Communication and Multimedia Act 1998 (CMA 1998) provides that "nothing in this Act shall be construed as permitting the censorship of the Internet". Due to the nature of the Internet itself, this is coming to be seen as too flexible, because anything could put up on the net, from defamatory messages to indecent content and obscenity. There are countries, therefore, that are beginning to impose restrictions on speech on the internet. Without any enforced regulation of the Internet, it will certainly cause problems if harmful conduct and speech on the Internet cannot be controlled. Therefore, there is a need for certain countries to take a second look at their position on the Internet.

Malaysia is beginning to acknowledge the fact that it is quite difficult to leave the Internet unregulated, despite the fact that the government had guaranteed no censorship of the internet because it would have an effect on the national information policy. There has been an abuse of the government's no censorship policy. The increase in the number of messages and writing that are harmful on the internet, for instance seditious and hate messages, has led the government to take action against internet publications that affect

national security. As a result the Content Code (Code) was enacted in order to lay down the guidelines, procedures and standards of content provided by the service providers to users in Malaysia.¹⁵ The Content Code, as a draft, was exposed to the public for consultation and also to ensure that there was transparency.

The nation-wide 'draft content code public consultation road show' was carried out by the CMCF with the objective of educating the public about the Code and about its implications when it is applied by the Malaysian Communications and Multimedia Commission (MCMC). It was hoped that these open dialogues would help to educate and also to gather feedback from the public. The CMCF also wanted to get more members from both civic groups and from industry. All comments and feedback from the public will be processed by the CMCF and amendments required will be made before the final Code is submitted to the Malaysian Communications and Multimedia Commission. The Content Code is aimed at promoting the development, growth and widespread availability of content applications and services that represent and are reflective of Malaysia's cultural identity and diversity.

The CMA 1998 governs the Content Code. The aim of the CMA 1998 is to promote the national policy via communication and multimedia industry. The CMA 1998 provides rules for activities such as traditional broadcasting, telecommunications and online services, including the facilities and networks employed in providing such services, as well as the content supplied via facilities and networks. The CMA 1998 also provides for the formation of the Communications and Multimedia Content Forum of Malaysia (CMCF). This Forum acts as the mechanism to formulate and implement developed codes of practice for the communications and multimedia industry. The CMCF uphold these codes, to ensure that they serve as a guide for the industry to operate and flourish.¹⁶

5.4 The Content Code:

In the cyber-world, the rigid system of censorship, as practised in the case of broadcasting, printing press and publication is not suitable. Because the internet itself is a pull medium and not a push medium, online users can choose what they want to see,

¹⁵ See Azmi, Ida Madeiha, 'Content Regulation in Malaysia; Unleashing Missiles on Dangerous Websites', BILETA Conference, April 2003.

¹⁶ See <http://www.cmcf.org.my/index>.

read and hear on the internet and to a certain extent, in their own personal capacity, contribute to online content. The creator of the content, primarily responsible of the content. Although it is not only impossible to filter all messages that run through the internet but the cost involved would be prohibitive as well. Moreover, in practical terms. Thus it is not surprising that some countries opt for self regulation and Industry Code as an indirect means of regulating content. Instead of imposing on industry players to proactively track down illegal and harmful material, the basis of liability rests upon complaints forwarded either by individuals or other industry players. The advantage is that there is no single authority that has been entrusted with the task of screening the internet of any possible harmful, illegal and unlawful content.

One of the attractions of the MSC project which will be discussed later in this chapter, is the guarantee is given by the government to all foreign investors that there will be no censorship on the internet. This guarantee is specifically provided for in section 3 (3) of the Communication and Multimedia Act 1998. This section provides that “nothing in this Act shall be construed as permitting the censorship of the internet.”

Although the government assurance that there will be no censorship but still it is felt that if the internet is totally free from state control it will monitor the harmful content on the internet that will affect national security, safety of minor, protection of human dignity, economic security, information security, protection of reputation and intellectual property. Based on this the Malaysian Content Code was drafted and states the procedures, guidelines and also standards of the content by the ISP when providing the information to users.¹⁷

The Malaysian Content Code (Code) is a comprehensive framework and it seeks to identify what is regarded as offensive and objectionable, while spelling out the obligations of content providers within the context of social values in this country. The Code demonstrates a commitment towards self-regulation by the industry in compliance with the Communications and Multimedia Act 1998. Since it is the industry’s own regulation, its compliance is voluntary. Compliance with the Code brings a number of benefits, e.g. it will be a defence against any prosecution, action or proceeding of any nature whether in court or otherwise.

¹⁷ See Azmi, Ida Madieha, Content Regulation in Malaysia. Unleashing missiles on dangerous websites, BILETA 18th Annual Conference, 2003, London, p. 1.

Section 213(1) of the CMA 1998 defined the ambit of the Content code and the Content Code prepared by the Content Forum or the Commission “shall include model procedures for dealing with offensive or indecent content”.

Caching:

Caching is one of the selected legal issues discussed in chapter 3. As stated above there is no provision expressly stated in the Copyright Act 1987. Surprisingly, the Content Code, under section 5.8, provides for caching although as mentioned above the Code generally regulate content that affect human dignity and morality. Section 5.8 of the Code states that caching is the act of reproduction and also storage of content on a system or network by persons in the internet industry in order to increase the efficiency of content transmission. The Code states that the person who undertakes to cache has a defence against copyright infringement by an act of reproduction and storage content of a system or network where:

- (a) the content was made available online by a third party.
- (b) the content is transmitted through the system or network to a user; and
- (c) the reproduction and storage is part of an automatic technical process for the purpose of making the content available to users of the system.

The position of caching as one of the exceptions under the Code is commendable. This is because there is no exception on caching in the Copyright Act and the question here is whether this provision will be effective. The power of the Bureau is very restrictive and it does not have power to sentence anyone who is in breach of the Code for imprisonment. It can only impose fines and other penalties which is not specified by the Code.

The Content Code is a model regulation among industry and is drafted by members representing all the key industries. Most of the industry players in cyberspace would be subjected to the Code, including but not limited to:

- (a) Internet Service Providers
- (b) Internet Access Service Providers
- (c) Internet Content Hosts

- (d) Web Page Developer
- (e) Access Providers of webcast and streamed content
- (f) Online Content Aggregators
- (g) Link providers¹⁸

Although compliance is voluntary, as it is the industry's own regulation and no problem of lack of bindingness as the code is drafted by industry players to bind themselves. Several general principles have been spelt out in the Code. These principles are reflective of the present national and policy objectives on our national information infrastructure.

The Content Code also laid down the general principles as follows:

- (a) There shall be no indecent, obscene, false, menacing or offensive content.
- (b) The content providers will have to bear in mind the need for a balance between the desire of viewers, listeners and users to have a wide range of content options and access to information on the one hand, and the necessity to preserve law, order and morality on the other.
- (c) The need to respect race, religion, culture, ethnic, national origin, gender, age, marital status, socio economic status, political persuasion, educational background, geographic location diversity in Malaysia.
- (d) Women and men shall be portrayed with fair and equitable demographic diversity taking into account age, civil status, race, ethno-cultural origin, physical appearance, background, religion, occupation, socio-economic condition and leisure activities, while actively pursuing a wide range of interest.
- (e) Particular attention is to be given to content that is created for children and in which children are portrayed.¹⁹

The word 'content' in the Content Code means any sound, text, still picture, moving picture or other audio-visual representation, tactile representation or any combination of the preceding which is capable of being created, manipulated, stored, retrieved or communicated electronically.

¹⁸ See section 5.1, Content Code.

¹⁹ See section 1.5, Content Code.

However, not all content will fall under the Code and in the case of online content, the following content will be excluded:

- (a) Ordinary private and/or personal electronic mail other than bulk or spammed electronic mail
- (b) Content transmitted solely by facsimile, voice telephony, VOIP and which is intended for private consumption; or
- (c) Content that is not accessible to the public whether freely, by payment of a fee or by registration, including (but not limited to) content made available by way of a closed content application service or a limited content applications service as defined under section 207 and 209 of the Act respectively.
- (d) applications serviceable by way of a closed content application service or a limited content application.

The content requirement is set out under section 211(1), where the content which is indecent, obscene, false, menacing, or offensive in character with intent to annoy, abuse, threaten or harass any person are prohibited under the CMA 1998. The content standard is measured in the context of the country's social, religious, political and educational attitudes and observances, as well as the need to accommodate global diversity in a borderless world.

The Code has classified 'prohibited content' into 9 categories as follows:

(a) Indecent Content

Under the Content Code, material which is offensive, morally improper and against current standards of accepted behaviour is considered as indecent content. The Code specifies several types of behaviour that is considered as indecent, for instance:

- (i) Nudity and
- (ii) Sex and nudity

It is not surprising that nudity is the first in the prohibited list because in this country in particular nudity is not something, which is tolerated by people. Nudity is forbidden because it offends acceptable standards of decency.

(b) Obscene Content

Obscene content gives rise to a feeling of disgust because of its lewd portrayal and is essentially offensive to one's prevailing notion of decency and modesty. Obscene

content is the content that gives rise to a feeling of disgust because of its portrayal and is essentially offensive to one's notion of decency and modesty.

(c) Violence

Violence comes in many forms: the ravages of natural disaster, acts of terrorism, war, human conflict, both in fact and popular fiction, the antics of cartoon characters, (body) contact sports and more. As long as violence is portrayed responsibly and not exploitatively it is allowed by the Code.

(i) Offensive violence

The portrayal of violence, whether physical, verbal or psychological can upset, alarm and offend viewers

(ii) Imitable violence

Due consideration must be given to the fact that violence portrayed visually may be imitated in real life.

(iii) Sexual violence

Representations of violence in a sexual context are not allowed.

(iv) Violence and young vulnerable audiences

The susceptibility of younger audiences, particularly adolescents and insecure viewers must be considered, lest portrayals of violence which are potentially disturbing are rendered harmful to them.

(d) Menacing content

Content that causes annoyance, threatens harm or evil, encourages or incites crime, or leads to public disorder, is considered menacing and is prohibited.

(e) Bad Language

The use of crude words and derogatory terms is most likely to cause offence, especially if the language is contrary to audience expectations.

(i) Offensive language

The use of abusive words which is calculated to offend an individual or a group of persons is not permitted.

(ii) Crude references

Words in any language commonly used in Malaysia which are considered obscene or profane are prohibited.

(iii) Hate speeches

'Hate speeches' refers to any portrayal (words, speech, pictures etc.) which denigrates, defames or otherwise devalues a person or group on the basis of race, ethnicity, religion, nationality, gender, sexual orientation or disability. This is not allowed.

(iv) Violence

Where the portrayal of violence is permitted with appropriate editorial discretion, as in news reporting, discussion or analysis and in the context of recognised sports events, code subjects must carefully consider the use of explicit or graphic language related to stories of destruction, accidents or sexual violence which could be disturbing for family viewing.

(f) False Content

Content which contains false material and it likely to mislead, possibly due sometimes to incomplete information, must be avoided. Content which is false is prohibited except in any of the following circumstances:

- (a) satire and parody
- (b) where it is clear to an ordinary user that the content is fictional

Code subjects must take steps outlined in the specific parts of this Code to limit the likelihood of the provision of false content.

(g) Children's Content

In this part, reference to children means persons 14 years and below. Recognising that content designed specifically for children reaches impressionable minds and influences social attitudes and aptitudes, broadcasters must closely supervise and monitor the selection, control of material, characterisation and plot. Nothing in the foregoing shall mean that the vigour and vitality common to children's imaginations and love of adventure should be removed.

- (i) Violence
- (ii) Safety, security and imitable acts.

Content for children shall deal carefully with themes which would threaten their sense of security when portraying, for example, domestic conflict, the death of parents or close relatives or the death or injury of their pets, street crimes or the use of drugs.

(h) Family values

The principles of intellectual and emotional equality of both sexes and the dignity of all individuals must be respected.

(i) People with disability:

The same concerns apply. There is a danger of offence in the use of humour based on physical, mental or sensory disability, even where no malice is present.

The Commission to designate an industry to be the Content Forum responsible for the preparation of a Content Code, or Codes as the need may arise.²⁰ However there are some providers who are innocent carriers and the Code provides for this under section 5.1(i) where they provide access to any content but have neither control over the composition of such content nor any knowledge of such content. Although they are not responsible for the content that they carry, they are not free from adhering to the general measures of the Code.

5.5 Malaysia Involvement in International Organisation:

The amendment to the Copyright Act 1987 in mid-1990 marked Malaysia's accession to the Berne Convention for the protection of Literary and Artistic Works as revised by the Paris Act 1971. The amendment to the Copyright Act 1990 was considered necessary in order to update the provisions of the Act so that it would fall in line with the Berne Convention, and also to carry out Malaysian obligations as a member of that Convention.

Based on the interview with the Assistant Director (copyright), of the Ministry of Domestic Trade and Consumer Affairs, Malaysia is just an ordinary member of WIPO and attends all the conferences held by WIPO. As a member, Malaysia always seeks WIPO's assistance if there is any problem regarding Intellectual Property, and invites WIPO to give seminars and lectures on Intellectual Property. WIPO also assists Malaysia in giving training and guidance in drafting our Intellectual Property laws.

Malaysia has played an active role in WIPO, for instance, Malaysia have been asked many times to organise seminars at regional level and to jointly host them with WIPO.

²⁰ See The Content Code, Communications and Multimedia Content Forum of Malaysia.

This is because Malaysia has a capacity to organise and Malaysia also can be considered as a model in South East Asia.

Another point is that Malaysia is geographically situated in central South East Asia. Instances where Malaysia has played a major role in WIPO include when Malaysia has been considered as a model among the South East Asia countries for its strong legal profession. Malaysia is also active in amending the Intellectual Property laws, and whenever necessary, Malaysia will update the law. When amending the law, Malaysia will take into consideration WIPO guidelines, and amendments will be made according to Malaysian needs. Since joining Berne, Malaysia has amended the Copyright Act many times, such as its amendment to the Copyright Act 1990 in order to follow the Berne Convention, the amendment to the Copyright Act in 1996. The Copyright Act amendment in 1997, and finally the Copyright Act amendment in 2000. In amending the Copyright Act, the Malaysian Government had taken into consideration WIPO Treaties, namely WCT and WPPT.

5.6 Malaysian Government Commitment Towards the New Technology:

In order to achieve its aspiration to be a knowledge-based economy as well as a knowledge-based society, Malaysian Government has focus on development of ICT, the Multimedia Super Corridor (MSC) and also the internet in general. Since Information Communication Technology (ICT) played an important role in shaping the knowledge-based economy, and also the knowledge-based society it is therefore important to understand its function and also what it can offer.

It is important to note that ICT provides access to information and knowledge to people with instantaneous speed, and also offers access to employment and business chances within their reach in a matter of seconds and without having to move. ICT assists communication and both social and business interaction. Thus, these opportunities can widen people's economic and social activities and also broaden their area of knowledge.²¹

To enable Malaysia to move rapidly into the Information age, the necessary infrastructure and environment for the development of information and communication

²¹ See Abdul Hamid, Solehah, 'Content Issues of Digital Divide in Malaysia', 2001, Multimedia Malaysia, Vol 2, Issue 1, p. 15.

technology (ICT) was put forward during the Seventh Malaysia Plan²² period. In 1996, the National IT Agenda (NITA) was formulated, and it provided the framework for the orderly development of the country into an information and knowledge-based society by 2020.²³ It seems that ICT provided the best opportunities to enhance productivity and increase competitiveness, and therefore numerous programmes and projects were implemented to stimulate wider distribution of ICT within the economy. The aim of the national IT Agenda is to transform the nation into a knowledge-based society in order to fall in line with Vision 2020. It focused on human development and leveraging of the public-private sectors partnership.

There are five Strategic Thrust areas that have been identified, Under E-economy, all sectors of the economy were to create value and wealth by participation in the knowledge-driven global economy. E-public services deal electronically with people-oriented customer-focused services. E-community was created to facilitate interaction and communication between communities to improve quality of life. E-learning was formulated to focus on cultivating a lifelong learning culture, whereas E-Sovereignty deals with building a resilient national identity in the face of challenges to the nation. NITC formed the Strategic Thrusts Implementation Committee (STIC) to operationalize The Strategic Thrust Agenda. The Economic Plan revealed an increasing usage of the internet by household and companies. It showed that the number of Internet subscribers increased from 13,000 in 1995 to about 1.2 million in 2000, an enormous growth rate of 145.2 per cent per annum. The government has implemented several programmes and projects as part of the efforts to increase ICT usage among the population. In order to increase the awareness of the rural population and to encourage them to participate actively in making changes and develop their areas, the programme called the 'Internet Village Programme' was launched. It involved the provision of ICT infrastructure at post offices, and also the launching of websites that provided information on government services, local events and activities, as well as free electronic mail and internet facilities.

The first evaluation showed that there were 55 to 77 users per week, many of whom were students. Twelve centres were implemented throughout the country by the end of the Plan period. The project initiated by the Universiti Malaysia Sarawak (Unimas),

²² The Seventh Economic Plan showed rapid growth in ICT utilization. Investments in ICT increased at a rate of 9.2 per cent per annum from RM3.8 billion in 1995 to RM5.9 billion in 2000.

²³ The framework was based on the balanced development of the three key elements, that is, people, information structure, and application.

called E-Bario, was implemented to promote ICT awareness and usage. Computers and Internet access were provided to schools under this project, to become community centres for learning. In an attempt to encourage greater utilization of ICT, contributors to the Employee Provident Fund were allowed to withdraw their savings for the purchase of computers. A total of 245,460 applications were received since the launch of this scheme in 1999, and 199,293 have been approved, involving a sum of RM665.3 million. The Government, together with the industry, also organised the PC Ownership Campaign, where the public were offered PCs at a cheaper price.²⁴ In its effort to establish an information and knowledge-based society, the NITC held Information Society (InfoSoc) conference and exposition events annually. Its aim is to provide a framework and platform for dialogues and the exchange of national and international experiences on ICT, as well as to raise the awareness of the Malaysian citizen about Information Age developments. The Government, in collaboration with the Global Knowledge Partnership, hosted the second Global Knowledge Conference (GK 11) in March 2000 in Kuala Lumpur to discuss issues pertaining to developing a knowledge-based economy through ICT developments.²⁵

The biggest initiative of the Malaysian Government was developing the Multimedia Super Corridor (MSC), which was designated as a world test-bed for ICT development. Furthermore, Malaysia has enacted a set of laws called Cyberlaws, to provide an enabling environment for the development of ICT. The Communications and Multimedia Act 1988 is the main cyberlaw, and it is aimed at promoting deregulation, streamlining licensing procedures and categories and also assisting market liberalization. More coordinated efforts will be undertaken during the Eighth Malaysia Plan, in order to place Malaysia as a competitive knowledge-based economy, with ICT assisting that development.

5.7 Multimedia Super Corridor (MSC):

The Government realised that the future of any country lies in exploiting the advances of digital technology, therefore the Government took several strategies and actions during the mid-1990s to use the power of ICT, with the goal of achieving great gains in productivity and income growth. The launching of the Multimedia Super Corridor

²⁴ The Eighth The Eight Malaysian Plan 2001-2005, 2001, Unit Perancang Ekonomi, Jabatan Perdana Menteri Malaysia, Percetakan Nasional Malaysia Bhd., Kuala Lumpur, pp. 363-367.

²⁵ *Ibid.*, pp. 367-369.

(MSC)²⁶ in 1996 was the most strategic move by the Government. The MSC was created to offer a comprehensive world-class ICT-enabled working environment²⁷ to catalyse the development of a knowledge-based economy. Starting in 1996, the MSC is to progress in three phases. The MSC is expected to have 500 world-class companies,²⁸ with 12 intelligent cities, linked to a global information highway by the year 2020. To capture interest in national and international participation in MSC, the Government presented a Bill of Guarantee, pledging the availability of a first-class communications network, tax incentives, no restriction in raising capital from abroad, and free movement of foreign knowledge workers working with the companies, as well as full equity control.²⁹ The MSC in a way assist the companies of the world to try the limit of the technology because it is a test bed for the inventions, multimedia development and research.³⁰

By August 2001, 546 companies were awarded the MSC status. More companies will be qualified for the MSC status as development of the ICT sector gains momentum. In fact, the number of MSC companies has exceeded the original target. Thus the decision has been made to bring forward the implementation of its second phase from 2003 to 2002. Seven flagship applications were introduced in order to jump start the development of MSC, namely: electronic government, smart school, multipurpose cards, telehealth, research and development cluster, borderless marketing and worldwide manufacturing. Three flagship programmes, which are the multipurpose cards, smart schools and electronic government, have already started.³¹

5.7.1 The Multimedia Super Corridor's (MSC) Six Innovative Flagships applications:

Electronic Government –

²⁶ The MSC is an area of 15km by 50km covering the Kuala Lumpur City Centre to Kuala Lumpur International Airport, which has been established to be the centre for the development of Multimedia applications and solutions.

²⁷ The Cyberjaya 'intelligent city', which is the important part of MSC, accommodates industries, research and development centres and the headquarters of multinational companies. Another MSC 'intelligent city', Putrajaya, is the new area that houses the government offices.

²⁸ The response to the MSC since it was first introduced has been overwhelming. MDC's statistic on the MSC-status companies shows that, as of the end of July 2000, MSC accreditation has been granted to 362 companies of which 41% are foreign and 59% are Malaysian.

²⁹ See Halim, *op. cit.*, p. 9.

³⁰ See Munir, Abu Bakar, Cyber law Policies and challenges, (Butterworths Asia, Malaysia, 1999), p.19.

³¹ See Halim, *op. cit.*, p. 9.

It is the Malaysian Government's commitment to bring the country into the information age. By using multimedia technologies, the Electronic Government (e-government) will transform the way the government operates. It will try to improve the convenience, accessibility and quality of the interactions between citizens, the private and public sectors. Through E-government, the speed and quality of information flow and the processes of policy development, coordination and enforcement will be improved. There are five pilot projects under this flagship:

Generic Office Environment (GOE) furnishes a fully integrated, distributed and scalable paperless working environment for the Prime Minister's Office.

Electronic procurement ensures the links between the government and suppliers in a safe and trusted online environment.

Project Monitoring system (PMS) ensures inter-government collaboration through three phases of development. Phase 1 deals with operational functions by providing data at source, progress reports and information for inter-agency routing. Phase 2 focuses on streamlining managerial functions. Phase 3 furnishes a knowledge-based facility to assist in decision-making and report generation.

Human Resource Management Information System (HRMIS) deals with the present and future needs of human resource management in the civil service. Applications include automating both operational processes and information dissemination.

Multi-purpose card – Government Multi-purpose Card (GMPC), officially known as MyKad, consolidates the identity card, driving licence, immigration information, health information, "e-cash" and public key infrastructure, in one card.

Telehealth- aims to promote and maintain the welfare of Malaysians by empowering individuals with greater access to healthcare information for improved personal health management.

Smart school- The Malaysian Smart School Application is the government's initiative to enhance the quality of education through the reinvention of teaching-learning processes.³²

The MSC will only survive and expand in an environment of international and broad-based financial support. Foreign entrepreneurs and technology-based industries could not really embrace the potential of MSC unless the technology is protected from misuse and theft. Hence one of the crucial elements needed to ensure the future dynamic development of the MSC is a stable and independent legal structure that is sensitive to the needs of technology information and communication industries. Probably America's experience in handling high-technology in Silicon Valley and elsewhere may offer important lessons to Malaysia as it develops the MSC.³³

The MSC project is the government's project for research and development into the new 'electronic government' concept. Regulations, that is, Cyberlaws, have been adopted which will become a template for similar legislation for other countries. It was Malaysia's target to become a service-based economy with its revenue relying largely on the service sector, and the MSC project helped Malaysia to reach that goal like other developed countries all over the world.³⁴

The enactment of Cyberlaws is vital to the development of MSC in order to promote commerce and new applications in the era of digital information and multimedia. The existence of the framework of the legal status of digital transaction and property rights will enable the businesses to run smoothly. On the other hand, it will provide protection to the consumers against new crimes and infringements of their rights, and boost their trust in the new multimedia applications. The government would gain control over the cyberspace through the Cyberlaws and be able to secure the public interest and rights and also at the same time control cyber crime. Over the years, four Cyberlaws have been enacted, namely: the Digital Signature Act 1997, the Computer Crimes Act 1997, Amendment to Copyright Act 1997 and the Telemedicine Act 1997. The Computer Crime Act is the law that is really necessary in the world where the internet had managed to influence the way businesses are conducted. The internet brings with it

³² *Ibid.*, p. 9.

³³ See Unkovic Dennis, 'The Importance of Legal Infrastructure To The Success of The Multimedia Super Corridor: an American Perspective', 1997, 4 *CLJ Supp* p. xi.

³⁴ See Nantha, Francis C, 'Corridor of Smart Ideas', 1997, *Malaysian Business*, August 16, p. 3.

cases where information stored in computers is stolen or destroyed by irresponsible parties, therefore it is the goal of the Computer Crime Act to combat these activities, for instance, hacking. By using their knowledge of computers the hackers could easily get access to the information by breaking codes of either individuals or organisations. Under the Act, they can be charged with the unauthorised modification of any programme or data stored in the computer. In order to encourage business to be conducted through electronic means, the Digital Signatures Act 1997 was enacted to give recognition to digital signatures.

Digital signatures identify the identity of the author of the electronic messages through encryption, that is, a coding mechanism which can detect whether alterations have been made to the message electronically. Nowadays the practice of medicine through multimedia makes it possible to get easier access to international medical experts, and the framework of the regulation for the practice of telemedicine was provided by the Telemedicine Act 1997. The Act states the person who can practice through telemedicine and provide medical services. It is important to seek consent from the patient before telemedicine can be carried out, and its practice may be controlled by the government through regulation. The areas that are exposed to infringement, computer programmes and databases, will be given priority and it is the aim of the Copyright Act 1997, not only to provide the regulation for its use, but also to control the infringement of the computer-stored information.

The Act also states how the existing law applies to the multimedia materials, and at the same time safeguards the protection of intellectual property for multimedia materials. Through the intellectual property system, where the works will be registered, and getting the licensing done online, it will provide the public with faster and easier access to Intellectual Property protection. The multimedia developers have been given Intellectual Property protection relating to online registration, licensing and also royalty collections under this Act.³⁵

5.8 The Internet in Malaysia:

Since this thesis concerns copyright and the internet, it is important to know the development of the internet in Malaysia. It was in the mid-1990s that the Internet was

³⁵ Jaya, Risen, 'Policing Cyberspace', 1997, Malaysian Business, August 16, p.2.

first introduced in Malaysia, and the Malaysian Institute of Microelectronic System (MIMOS) was the sole provider of Internet services. At that time, the policy adopted was to allow only the network-based companies to provide Internet service. Under this policy, six network-based companies, MAXIS, DIGI, TT.DOT.COM, CELCOM, TELEKOM and PRISMANET, are licensed to provide Internet services in the country. The necessary steps were taken by the government in order to accommodate the new market requirements by reviewing the existing policy on providing internet services, with the view to minimising market entry requirements. The review is important in order to boost wider industry participation in the provision of Internet access and to encourage the growth of Internet services in the country.

Thus the government has endorsed the following positions:

The New Market Structure:

The roles and scope of activities of the industry participants have been redefined into the following categories:

1) Internet access service providers.

In order to stimulate greater participation among industry players in the internet market, providers of internet are redefined to include the following operators:

- (a) All companies and operators that provide access to the internet by the existing infrastructure, whether it is their own or provided by other operators, will from now be known as Internet Access Service Providers (IASPs).
- (b) IASPs provide basic Internet access services which will include other standard services.
- (c) All IASPs need to register with the Communications and Multimedia
- (d) Commission as a class licence holder for the Applications service, with the Annual registration fee of RM2,500.

2) Network Service Providers:

Network service providers or companies that provide bandwidth requirements to support the connectivity of the various IASPs can also provide internet access.

3) Network facilities providers

Network facilities providers, or companies which own and operate the necessary infrastructure such as leased lines and other facilities to support network services, are also eligible to provide internet access.

4) End-users service

Companies which provide other services through internet access, such as e-mail, internet content, mailing addresses, transaction and portal services and others, are exempted from licensing.³⁶

Jaring was developed and operated by MIMOS Internet Services (MIS), a subsidiary of MIMOS Berhad, and it is the first internet service provider to provide access to Malaysian subscribers. Jaring remains one of the premier internet providers and the main gateway of internet access in the country. Prior to Telekom's entry in the arena, Jaring was Malaysia's sole public ISP provider. TMnet is another ISP, which was formed to spearhead all internet related services in Telekom Malaysia Berhad, is the second ISP in Malaysia, and is considered to be the largest ISP in Malaysia, as well as in South East Asia. TMnet is actually the computer network developed by Telekom Malaysia in order to assist the provision of access to the internet for the entire nation. Maxis Communication Berhad provided the internet service for consumers called Maxis Net. Anybody can sign up at their website or can also use their connectivity software, which is free of charge.³⁷

5.9 Internet – Censorship or No Censorship?:

It is really not an easy task to manage the Internet revolution. This is because the Internet itself is borderless and can be accessed at anytime, by anyone and from virtually anywhere. The materials carried over the Internet are varied and are made by people with different values and different cultural backgrounds. Each country may regard the content of the Internet differently, for instance, one country might find it useful and another might think that it is negative or offensive.

When the Internet was first introduced, the Malaysian public were quite concerned about it, and there were debates in the media whether it should be censored because some of the contents are not suitable for children. An interview has been carried out in

³⁶ Announcement on The Structure of The New Internet Market and Internet –based Telephony (VOIP)', Multimedia Malaysia, 2000, vol. 1, Issue 2, 4th Quarter, p. 18- 21.

³⁷ See Loh, John, 'The Need For Speed', 2000, PC.com, June, p. 57-58.

Malaysia with Mr. A. Manisekaran, the Assistant Director (Copyright) of the Ministry of Domestic Trade and Consumer Affairs, and he affirmed that there is no censorship on Internet access in Malaysia. According to him, the Malaysian public have unrestricted access to the Internet and there is no restriction what so ever to any group or individual to get access to it. Similarly based on the interviews with the Senior Assistant Draftsman at the Attorney General's Office and Legal Adviser of MIMOS, both confirmed that the internet in Malaysia is free from any censorship.

In fact, it is the basic principle of the Communication and Multimedia Act 1998 that there is no censorship of the Internet in this country. It is also one of the 10 bills of guarantee or commitments under the MSC initiative not to censor the Internet. The reason behind it is that censorship on the Internet may impede the development of the multimedia industry. On the other hand, due to many cases of misuse of the Internet being revealed, the Malaysian public is quite concerned about the negative impact that the Internet has on the society. No country has yet been able to censor the Internet effectively, therefore the Malaysian Government is of the view that the best approach is to create and promote awareness of the advantages of the Internet, and give people the right to practise self-regulation.³⁸

5.10 The Malaysian Communications and Multimedia Commission:

The Malaysian Communications and Multimedia Commission (MCMC) provide a perspective plan for the development of the Communications and Multimedia sector in Malaysia. The MCMC vision is a globally competitive, efficient and increasingly self-regulating communications and multimedia industry, generating growth to meet the economic and social needs of Malaysia. Its missions are as follows:

- to promote access to communications and multimedia services
- ensuring consumers enjoy choice and a satisfactory level of services at affordable prices
- providing transparent regulatory processes to facilitate fair competition and efficiency in the industry

³⁸ See Halim, 'Moving Forward to the Economy the Malaysian Experience', 2002, Multimedia Malaysia, Vol.1, Issue 2, p. 11.

- ensuring best use of spectrum and number resources and
- consulting regularly with consumers and service providers and facilitating industry collaboration.

The objective of MCMC is to fulfil the ten national policy objectives for Communications and Multimedia enunciated in the Communications and Multimedia Act (CMA) 1998. The ten national policy objectives are:

- (a) To establish Malaysia as a major global centre and hub for communications and multimedia information and content services.
- (b) To promote a civil society where information-based services will provide the basis of continuing enhancements to quality of work and life.
- (c) To grow and nurture local information resources and cultural representation that facilitates the national identity and global diversity.
- (d) To regulate for the long-term benefit of the end user.
- (e) To promote a high level of consumer confidence in service delivery from the industry.
- (f) To ensure an equitable provision of affordable services over ubiquitous national infrastructure.
- (g) To create a robust applications environment for end users.
- (h) To facilitate the efficient allocation of resources such as skilled labour, capital, knowledge and national assets.
- (i) To promote the development of capabilities and skills within Malaysia's convergence industries.
- (j) To ensure information security and network reliability and integrity.

The MCMC has drawn up the Framework for Industry Development (FID) to provide a perspective plan for the development of the Communications and Multimedia sector in Malaysia over the next five years, that is from 2001-2005. The five major challenges that the MCMC plans to address over the period of this Framework are:

- Upgrading network capabilities
 - Facilitate the development of network capabilities and network roll out to provide ubiquitous access to content and applications services
 - Facilitate the migration of analogue networks to next generation digital networks
- Improving service quality and choice of services

- Establish new benchmarks for quality of service
- Ensure compliance with standards
- Building capacity
 - build up skills sets within the MCMC
 - facilitate the development of industry skills sets
- Managing resources efficiently
 - Ensure efficient usage of spectrum, numbering and electronic addressing
 - Encourage and facilitate infrastructure sharing
- Regulating effectively
 - Ensure that the regulatory framework remains relevant in a convergent and fast moving industry environment
 - Ensure effective and efficient regulatory processes

According to a customer satisfaction study conducted by the MCMC, the ISP that has the highest penetration (82%) is TM Net, and the second highest is Jaring (24%). It seems that TM Net is the market leader in terms of penetration. The penetration of Maxis Net, Time Net and Celcom Net is less than 5%, which is very small. The percentage of ISP penetration amongst adults in Malaysian households who are using Jaring is 24% whereas TM Net is 82%. The personal computer penetration in Malaysian households is 18%. Personal computer penetration in urban households is high, that is, 24% compared to the rural household (9%). Half of the households with computers have internet connection.

5.11 Conclusion:

Malaysia had amended the Copyright Act quite rapidly over the years. The most significant reform was the Copyright (Amendment) Act of 1997 where the main purpose of the amendment was to ensure that Malaysian laws conform to international development it also addressed the technological challenges especially the internet. The new exclusive right of copyright owners to control the communication of copyright works to the public has also been created. The new definition of communication to the

public is significant because it covers the transmission of works in a digital environment; that is the communication by way of interactive networks, for instance the internet.

As discussed above Malaysia is committed towards the development of technology and this is demonstrated by the existence of the MSC project. However Malaysia has to provide a strong legal framework to support the MSC and at the same time has to keep updating the law in order to keep up with new technology. As regards to selected legal issues in chapter 3, Malaysian Copyright law did not have specific provisions on issues such as accessing web pages, linking and framing. However there is an express provision on the legal issue of caching under the Content Code.

In dealing with the challenges to copyright law raised by the internet, Malaysia has developed a policy of no censorship of the internet, in order to ensure users the freedom of choosing what they want to do with the internet and to enable them to exercise self-regulation. At the same time, the owner or creator of content has full responsibility for that content. The new Malaysian Content Code is self-regulatory and it will help regulate the content of the internet without restricting the users, and it will also in a way fulfil the government's promise of no censorship of the internet. Like other developed nations of the world, Malaysia has risen to the challenge and has taken steps to regulate the internet.

Malaysia's long-term plan for the nation, Vision 2020 which was enunciated by the Prime Minister in 1991 with the aim of bringing Malaysia into the knowledge-based economy, is similar to the European Union's scheme, eEurope, which is the driving force behind the European Union's push to become the most competitive knowledge-based economy in the world by 2010. The Internet really changes the world today and it is a challenge for Europe to embrace the digital age and to be a knowledge-based economy. How the European Union decides to manage this transition will also contribute to determining the quality of life of many people, their working environments and the general competitiveness of the industries and services.

It was at the Lisbon Summit in 2000, that European heads of state and government recognised that Europe must become the most competitive knowledge-based society in the world by 2010. In November 1999, the European Commission put forward its “eEurope” plan to manage this transition within the Union and also within the candidate countries of central and Eastern Europe..³⁹

Similarly, in Malaysia in 1996, the National IT Agenda (NITA) was formulated and provided the framework for the development of the country into an information and knowledge-based society.

³⁹ See Hart, Micheal, The Copyright in The Information Society Directive: an overview, EIPR, 2000, <http://uk.westlaw.com>

Chapter 6

Conclusions and Proposal for Improvement

As stated in the introduction, the thesis focus only on four selected legal issues concerning (accessing web pages, caching, linking and framing) (Chapter 3). The thesis considers the aspects of copyright law in Malaysia, UK and USA at (national level), WIPO at (international level) and the EU at (regional level), which are relevant to the four selected legal issues. The thesis also explores how far the law from these levels has reacted to the technology challenges and come up with legal solutions to the four selected legal issues (chapter 4).

At the international level, WIPO has provided the treaties which deals with the application of the copyright to the internet namely the Berne Convention, WIPO Copyright Treaty (WCT) and WIPO Performance and Phonograms Treaty (WPPT). These Treaties were studied in order to identify the provisions that relates to the four selected legal issues (Chapter 4).

As regards the legal issue on accessing web page, which requires transient copies to be made and also storage in RAM, Article 9 (1) of the Berne Convention addresses this issue and provides exclusive right to authors of literary and artistic works to authorise the reproduction of their works in any manner and form. This applies to the digital environment and therefore the permanent or temporary reproduction of works constitutes a 'reproduction' within the above section. It is submitted that it also applicable to the issue on storage in RAM and browsing. However there are no specific provisions on the legal issues on framing, linking and caching in all WIPO Treaties. (see further chapter 4)

The WCT provides the necessary solution to problems brought by the digital technology. This is demonstrated in section 8 of the Treaty which covers the internet where the authors of literary and artistic works have an exclusive right to authorise any communication to the public of their work, by wire or wireless means including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them. It is submitted that this covers the communication through internet and on line services. In general the Treaty contains the basic provisions requiring the contracting states to adopt the appropriate national laws. These provisions however are too brief.(See further chapter 4).

The law at the regional level, the EU laws which relates to the four selected legal issues were also examined (Chapter 4). The Information Society Directive made special reference to the issues surrounding the internet such as temporary copying and communication to the public of the copyright works.

As regards the selected legal issues in this thesis concerning accessing web page and caching which involves making temporary copies, the Information Society Directive expressly provides for the temporary reproduction to ensure that the Directive is keeping up with the technology. In the Recital (33) of the Directive of Information Society refers to browsing and caching expressly stated in Article 5(1). However Article 5 of the Directive imposed an obligation on the Member State only in respect of mandatory exception. As regards the issues on linking and framing there are no provisions in the Information Society Directive on the issues.

One of the most interesting aspects in the Information Society Directive is the communication to the public of copyright works via online provision. Article 3.1 of the Directive grants the exclusive right to the authors of the work to authorise or to prohibit any communication to the public of their work either by way of wire or wireless. This includes the making available to the public where members of the public may access the work from a place and at a time individually chosen by them. This covers on-line services.

This is further stated in Article 5, which provides for the exemption of reproduction right where temporary acts of copying are concerned. The temporary acts of copying

which are allowed are the transient or incidental and integral and essential part of technological process. The sole purpose of this provision is to enable, either the transmission in a network between the third parties by an intermediary or an unlawful use of a work or other subject matter to be made and which have no independent economic significance. The provision for temporary copying is the only mandatory exception.

Generally the effort made by the European Union through the Information Society Directive to tackle some of the significant issues raised by the new technology especially the internet was really helpful. However there are still gaps in the Information Society Directive and it does not address some of the digital issues.

At the national level the UK has implemented the EU Directive on Information Society by amending the CDPA 1988 as described in Chapter 4. The Directive harmonises rights in certain significant areas in copyright law and also provides for exceptions to those rights. The CDPA amended by the Copyright and Related Rights Regulation 2003⁴⁰ which adopts the mandatory provision of the Directive that is Article 5 of the Directive. The Regulations has added section 28A providing an exemption for temporary acts of reproduction which are transient or incidental and essential parts of a technological process. Therefore this provision covers the legal issues on browsing and caching. The most interesting thing is that, the issue on caching has also been provided for under Article 13 of the Directive of Electronic Commerce. There is no specific provision on linking under the Regulations but may be allowed under the general rule of implied licence. As to the issue on framing, there is no specific provision on this matter either

The USA is regarded as a leader on the development of the internet and therefore has had, the biggest influence on countries all over the world in this area. US law conforms to the requirements of the WIPO Treaties and has amended their Copyright Law by Title 1 of the DMCA. Section 512 of the Copyright Act has been inserted under title II of the DMCA. This section is known as 'safe harbour' and provides the ISP with protection against an action for infringement in various ways. The first safe harbour is in Section 512 (a) of the Copyright Law of the US which provide protection for ISP when they transmit, route or provide connections for materials through a system or

⁴⁰ See Chapter 4.

network controlled or operated by service provider by intermediate and transient storage of that material in the course of such transmitting if they fulfil certain conditions. This section is relevant to the issue discussed in the third chapter on accessing web page and storage in the RAM.

As discussed in chapter 4, the second safe harbour is a system of caching where the ISPs are allowed to make the intermediate and temporary storage of material on a system or network controlled or operated by or for the service provider in the case where the material is made available online by a person other than the service provider. This safe harbour provision concerns the issue of caching which was discussed in third chapter.

The fourth safe harbour is the information location tools and it is relevant to one of the issues discussed in the third chapters namely linking. The service provider is exempted from liability for infringement of copyright, by their act referring or linking users to an online location containing infringing material, by using information location tools including a directory, index, reference, pointer or hypertext link. This is on condition that the service provider does not know that the material is infringing and not aware of facts or circumstances from which infringing activity is apparent. However there is no specific provision on framing under this Act.

Malaysian efforts in coping with the new challenges in the technology are commendable. The amendments to the Copyright Act 1987 have dealt with issues on internet especially the selected issues on the internet which were discussed in Chapter 5. Malaysian Copyright law has undergone several stages of development and the most significant step was taken in 1990 when Malaysia acceded to Berne Convention in order to conform to the international treaties. In the third chapter the selected issues relating to accessing the web page, linking, framing and caching have been discussed. As regards the issues on accessing web page and storage in RAM where this internet activity involve making transient copies. There is no specific provision on making temporary copies in Malaysian Copyright law. However from the definition of the word reproduction under section 3 of the Copyright Act 1987 which allow copies to be made in any form or version and definition of the word material forms which covers any form that is either visible or not, it is submitted that these section should be interpreted as possible to include transient copies. It is submitted that both issues browsing and

storage of RAM, which involves making transient copies fall under section 3 of the Copyright Act 1987.

In relation to issue on linking there is no specific provision that covers linking in Malaysian Copyright law. However under Section 36(1) anyone who does an act with the licence from the copyright owner does not infringe copyright. In internet world, it can be assumed that anyone who creates the website impliedly want other people to visit their website by linking to their websites. Therefore it is submitted that in the case of linking the website owner give an implied licence to the users to link to his websites. In relation to issue on framing there is no provision in the Malaysian Copyright Act regarding this issue.

As regards issue on caching, Malaysian law has an express provision regarding caching. However this provision is not under the Copyright Act 1987 but under the Malaysian Content Code. This Content Code is actually a self-regulation and it helps to identify what content that can be considered as offensive. Although the inclusion of the provision on caching in the Content Code is good but considering the fact that there is no such provision in the Copyright Act itself, raise a question whether this provision would be effective.

Clearly, there is a gap in the Malaysian Copyright Act because the provision on caching should be placed under the Copyright Act 1987 and not under the Content Code. If the provision on caching is placed under an Act like the Copyright Act 1987 it will be easier to enforce it rather than the Content Code which is only a self-regulation. Just like the US copyright Act where caching is regarded as one of the safe harbour and ISPs are protected from the copyright infringement action.

There are a number of gaps in Malaysian Copyright law regarding legal issues on the internet. There are not specific provisions on making of temporary copies, linking and also framing. From the interviews with the Senior Assistant Draftsman at the Attorney General's Office and the Assistant Director of the Copyright, Intellectual Property Division in the Ministry of Domestic Trade and Consumers Affairs and also the library research at the libraries in Malaysia at present there are no cases on issues concerning copyright and internet in Malaysia. It can be stated that the position of Malaysian Copyright Act 1987 now is just like the UK CDPA pre EU Directive on Information

Society implementation. Therefore, Malaysia has to consider amending the Copyright Act in the future so that it will be able to cope with the technology challenges in more effective way. Malaysia should follow the UK Copyright Law and at least monitor the development of the EU law when amending the Act.

Even though from the interviews with the Senior Assistant Draftsman at the Attorney General's Office and also with the Assistant Director of Intellectual property unit that Malaysia will rely on UK law only for guidance in amending its Act, Malaysia has to consider the fact that UK law implements EU Directives. Therefore to say that Malaysia would not consider referring to the EU as guidance when amending its Act is not completely true because UK is a member of the EU and has to implement the measures adopted by the EU. If Malaysia were to follow UK in amending its Act it would be shadowing the development in the EU.

The other matter that Malaysia has to consider is the development of US law because US is the motherland of the internet and all recent laws regarding the internet originated mostly from the US. Similarly many of the cases on the internet and copyright issues arises in the US. In the world where the internet has become part of our everyday life and a lot of issues on copyright and internet emerge under US Law means that Malaysia has to monitor the legal developments in the US. Hence in the future, when amending the Copyright Act, Malaysia should consider referring to the development of the EU and US Copyright law for guidance because there are a lot of gaps in Malaysian Copyright law and inadequate protection on issues relating to copyright and internet.

It is submitted that the protection of copyright for the four selected legal issues examine in this thesis are inadequately provided under Malaysian Copyright law. The Malaysian Copyright law should be amended in order to cope with digital issues. Since the latest amendment to the CDPA 1988 the UK certainly has a better copyright solutions created by the new technology compared to the previous Act even though the UK does not have solutions to all legal issues discussed in this thesis. The EU at the regional level had provided the Member States with a basis for handling the problems relating to digital issues through the Directive of the Information Society.

However the Directive did not provide solutions to all legal issues relating to internet. At the international level WIPO only provides a general provision as guidelines for the nationals to come up with their own law in protecting copyright in digital environment. It seems that at the national level the US can be considered as a leader in providing copyright protection to the digital issues. The US Copyright law is the most advanced in handling internet issues.

Appendix 1

The Selected Sections of the Malaysian Copyright Act 1987

COPYRIGHT ACT 1987

(Act 332)

An Act to make better provisions in the law relating to copyright and for other matters connected therewith.

[1.12.1987]

BE IT ENACTED by the Duli Yang Maha Mulia Seri Paduka Baginda Yang di-Pertuan Agong with the advice and consent of the Dewan Negara and Dewan Rakyat in Parliament assembled, and by the authority of the same, as follows:

PART I PRELIMINARY

1. Short title, application and commencement.

(1) This Act may be cited as the **Copyright Act 1987** and shall come into force on such date as the Minister may, by notification in the *Gazette*, appoint and different dates may be appointed for the coming into force of different provisions of this Act.

(2) This Act shall apply throughout Malaysia.

2. Extent of application.

(1) Subject to this section and section 59A and regulations made under section 59A, this Act shall apply in relation to works made before the commencement of this Act as it applies in relation to works made after the commencement of this Act:

Provided that this section shall not be construed as reviving any copyrights which had expired before the commencement of this Act.

(2) Where only by virtue of subsection (1) copyrights subsist in works that were made before the commencement of this Act, nothing done before the commencement of this Act shall be taken to constitute an infringement of those copyrights.

3. Interpretation. "artistic work" means—

- (a) a graphic work, photograph, sculpture or collage, irrespective of artistic quality;
- (b) a work of architecture being a building or a model for a building; or
- (c) a work of artistic craftsmanship,

"author",—

- (a) in relation to literary works, means the writer or the maker of the works;
- (b) in relation to musical works, means the composer;
- (c) in relation to artistic works other than photographs, means the artist;
- (d) in relation to photographs, means the person by whom the arrangements for the taking of the photographs were undertaken;
- (e) in relation to films or sound recordings, means the person by whom the arrangements for the making of the film or recording were undertaken;
- (f) in relation to broadcasts transmitted from within any country, means— [Subs. Act A994]
 - (i) the person transmitting the programme, if he has responsibility for the selection of its contents; or
 - (ii) any person providing the programme who makes with the person transmitting it the arrangements necessary for its transmission;
- (g) in relation to any other cases, means the person by whom the work was made;

"broadcast" means the transmitting, by wire or wireless means, of visual images, sounds or other information which— [Subs. Act A994]

- (a) is capable of being lawfully received by members of the public; or
- (b) is transmitted for presentation to members of the public.

and includes the transmission of encrypted signals where the means for decrypting are provided to the public by the broadcasting service or with its consent;

[Act A994]

[Ins. Act
A994;
Am. Act
A1082]

"communication to the public" means the transmission of a work or live performance through wire or wireless means to the public, including the making available of a work or live performance to the public in such a way that members of the public may access the work or live performance from a place and at a time individually chosen by them;

[Act A775]

“computer program” means an expression, in any language, code or notation, of a set of instructions (whether with or without related information) intended to cause a device having an information processing capability to perform a particular function either directly or after either or both of the following:

- (a) conversion to another language, code or notation;
- (b) reproduction in a different material form;

[Subs. Act A1139]

“Controller” means the Controller of Copyright as designated in subsection (1) of section 5;

“copy” means a reproduction of a work in written form, in the form of a recording or film, or in any other material form:

“copyright” means copyright under this Act;

[Ins. Act A1139]

“Corporation” means the Intellectual Property Corporation of Malaysia established under the Intellectual Property Corporation of Malaysia Act 2002;

“film” means any fixation of a sequence of visual images on material of any description, whether translucent or not, so as to be capable by use of that material with or without any assistance of any contrivance—

- (a) of being shown as a moving picture; or
- (b) of being recorded on other material, whether translucent or not by the use of which it can be so shown.

and includes the sounds embodied in any sound-track associated with a film;

“infringing copy” —

[Subs. Act A1082]

- (a) in relation to copyright, means any reproduction of any work eligible for copyright under this Act the making of which constitutes an infringement of the copyright in the work or, in the case of any article imported into Malaysia without the consent of the owner of the copyright, the making of which was carried out without the consent of the owner of the copyright;
- (b) in relation to performers’ right, means any reproduction of any recording of a live performance the making of which constitutes an infringement of the performers’ right or, in the case of any recording imported into Malaysia without the consent of the performer, the making of which was carried out without the consent of the performer;

“literary work” includes—

- (a) novels, stories, books, pamphlets, manuscripts, poetical works and other writings;
- (b) plays, dramas, stage directions, film scenarios, broadcasting scripts, choreographic works and pantomimes;
- (c) treatises, histories, biographies, essays and articles;
- (d) encyclopaedias, dictionaries and other works of reference;
- (e) letters, reports and memoranda;
- (f) lectures, addresses, sermons and other works of the same nature;

(g) tables or compilations, whether or not expressed in words, figures or symbols and whether or not in a visible form; and [Am. Act A994]

(h) computer programs, [Am. Act A994]

but does not include official texts of the Government or statutory bodies of a legislative or regulatory nature, or judicial decisions;

“live performance”—

[Ins. Act A1082]

(a) includes—

- (i) a performance of a dramatic work, or part of such a work, including such a performance given with the use of puppets, or the performance of an improvised dramatic work;
- (ii) a performance of a musical work or part of such a work, or the performance of an improvised musical work;
- (iii) the reading, recitation or delivery of a literary work, or part of such a work, or the reading, recitation or delivery of an improvised literary work;
- (iv) a performance of a dance;
- (v) a performance of a circus act or a variety act or any similar presentation or show; or
- (vi) a performance in relation to expressions of folklore, which is given live by one or more persons in Malaysia, whether in the presence of an audience or otherwise; but

(b) does not include—

- (i) any reading, recital or delivery of any item of news or information;
- (ii) any live performance of a sporting activity; or
- (iii) a participation in a live performance by a member of an audience;

“manuscript”, in relation to a work, means the original document embodying the work, whether written by hand or not;

“material form”, in relation to a work or a derivative work, includes any form (whether visible or not) of storage from which the work or derivative work, or a substantial part of the work or derivative work can be reproduced;

“musical work” means any musical work, and includes works composed for musical accompaniment;

[*Ins. Act*
A1082] “performer” means a person who performs a live performance under this Act;

[*Ins. Act*
A1082] “performers’ right” means the performers’ right under this Act;

“reproduction” means the making of one or more copies of work in any form or version, and in relation to an artistic work includes the making of a copy in three dimensions of a two-dimensional work and the making of a copy in two dimensions of a three-dimensional work, and “reproducing” shall be construed accordingly;

“work of joint authorship” means a work produced by the collaboration of two or more authors in which the contribution of each author is not separable from the contribution of the other author or authors.

7. Works eligible for copyright.

(1) Subject to this section, the following works shall be eligible for copyright:

- (a) literary works;
- (b) musical works;
- (c) artistic works;
- (d) films;
- (e) sound recordings; and
- (f) broadcasts.

(2) Works shall be protected irrespective of their quality and the purpose for which they were created.

(2A) Copyright protection shall not extend to any idea, procedure, method of operation or mathematical concept as such. [*Ins. Act*
A1083]

(3) A literary, musical or artistic work shall not be eligible for copyright unless—

- (a) sufficient effort has been expended to make the work original in character; and
- (b) the work has been written down, recorded or otherwise reduced to material form.

(4) A work shall not be ineligible for copyright by reason only that the making of the work, or the doing of any act in relation to the work involves an infringement of copyright in some other work.

(5) Copyright shall not subsist under this Act in any design which is registered under any written law relating to industrial design.

(6) Copyright in any design which is capable of being registered under any written law relating to industrial design, but which has not been so registered, shall cease as soon as any article to which the design has been applied has been reproduced more than fifty times by an industrial process by the owner of the copyright or, with his licence, by any other person.

(7) For the purpose of this section, “any written law relating to industrial design” includes:

- (a) the United Kingdom Designs (Protection) Act 1949;
- (b) the United Kingdom Designs (Protection) Ordinance of Sabah; and
- (c) the Designs (United Kingdom) Ordinance of Sarawak.

13. Nature of copyright in literary, musical or artistic works, films and sound recordings.

(1) Copyright in a literary, musical or artistic work, a film, a sound recording or a derivative work shall be the exclusive right to control in Malaysia— [Am. Act A994]

- (a) the reproduction in any material form; [Act A1082]
- (aa) the communication to the public; [Ins. Act A994]
- (b) the performance, showing or playing to the public;
- (c) *(Deleted)*; [Act A994]
- (d) *(Deleted)*; [Act A994]
- (e) the distribution of copies to the public by sale or other transfer of ownership; and [Subs. Act A994]
- (f) the commercial rental to the public, [Ins. Act A994]

of the whole work or a substantial part thereof, either in its original or derivative form provided that, without prejudice to paragraph (e), the exclusive right to control the distribution of copies refer only to the act of putting into circulation copies not previously put into circulation in Malaysia and not to any subsequent distribution of those copies or any subsequent importation of those copies into Malaysia.

(2) Notwithstanding subsection (1), the right of control under that subsection does not include the right to control—

- (a) the doing of any of the acts referred to in subsection (1) by way of fair dealing for purposes of non-profit research, private study, criticism, review or the reporting of current events, subject to the condition that if such use is public, it is accompanied by an acknowledgement of the title of the work and its authorship, except where the work is in connection with the doing of any of such acts for the purposes of non-profit research, private study and the reporting of current events by means of a sound recording, film or broadcast;
- (b) the doing of any of the acts referred to in subsection (1) by way of parody, pastiche or caricature;
- (c) the inclusion in a film or broadcast of any artistic work situated in a place where it can be viewed by the public;
- (d) the reproduction and distribution of copies of any artistic work permanently situated in a place where it can be viewed by the public;
- (e) the incidental inclusion of a work in an artistic work, sound recording, film or broadcast;
- (f) the inclusion of a work in a broadcast, performance, showing or playing to the public, collection of literary or musical works, sound recording or film, if such inclusion is made by way of illustration for teaching purposes and is compatible with fair practice:

Provided that mention is made of the source and of the name of the author which appears on the work used;
- (ff) any use of a work for the purpose of an examination by way of setting the questions, communicating the questions to the candidates or answering the questions:

Provided that a reprographic copy of a musical work shall not be made for use by an examination candidate in performing the work;
- (g) the recording made in schools, universities or educational institutions of a work included in a broadcast intended for such schools, universities or educational institutions;
- (gg) the making of a sound recording of a broadcast, or a literary, dramatic or musical work, sound recording or a film included in the broadcast insofar as it consists of sounds if such sound recording of a broadcast is for the private and domestic use of the person by whom the sound recording is made;

(ggg) the making of a film of a broadcast, or a literary, artistic, dramatic or musical work or a film included in the broadcast insofar as it consists of visual images if such making of a film of the broadcast is for the private and domestic use of the person by whom the film is made;

(gggg) the making of copies of television broadcasts which are subtitled or otherwise modified for people who are deaf or hard of hearing, or physically or mentally handicapped in other ways and the issuing of such copies to the public by non-profit making bodies or institutions which the Minister may, by order, prescribe; [Ins. Act
A994]

(h) the reading or recitation in public or in a broadcast by one person of any reasonable extract from a published literary work if accompanied by sufficient acknowledgement;

(i) any use made of a work by or under the direction or control of the Government, by the National Archives or any State Archives, by the National Library, or any State library, or by such public libraries and educational, scientific or professional institutions as the Minister may by order prescribe; where such use is in the public interest and is compatible with fair practice and the provisions of any regulations, and—

(i) no profit is derived therefrom; and

(ii) no admission fee is charged for the performance, showing or playing, if any, to the public of the work thus used;

(j) the reproduction of any work by or under the direction or control of a broadcasting service wholly-owned by the Government where such reproduction or any copies thereof are intended exclusively for a lawful broadcasting and are destroyed before the end of the period of six calendar months immediately following the making of the reproduction or such longer period as may be agreed between the broadcasting service and the owner of the relevant part of the copyright in the work:

Provided that any reproduction of a work made under this paragraph may, if it is of exceptional documentary character, be preserved in the archives of the broadcasting service which are hereby designated official archives for the purpose, but subject to this Act, shall not be used for broadcasting or for any other purpose without the consent of the owner of the relevant part of the copyright in the work:

- (k) the performance, showing or playing of a work by a non-profit making club or institution where such performance, showing or playing is for charitable or educational purposes and is in a place where no admission fee is charged in respect of such performance, showing or playing;
- (l) any use of a work for the purposes of any judicial proceedings, the proceedings of a royal commission, a legislative body, a statutory or Governmental inquiry, or of any report of any such proceedings, or for the purpose of the giving of professional advice by a legal practitioner;
- (m) the making of quotations from a published work if they are compatible with fair practice and their extent does not exceed that justified by the purpose, including quotations from newspaper articles and periodicals in the form of press summaries:

Provided that mention is made of the source and of the name of the author which appears on the work thus used;

- (n) the reproduction by the press, the broadcasting or the showing to the public of articles published in newspapers or periodicals on current topics, if such reproduction, broadcasting or showing has not been expressly reserved:

Provided that the source is clearly indicated;

[Am. Act
A994]

- (o) the reproduction by the press, the broadcasting or the performance, showing or playing to the public of lectures, addresses and other works of the same nature which are delivered in public if such use is for informational purposes and has not been expressly reserved; and

[Am. Act
A994]

- (p) the commercial rental of computer programs, where the program is not the essential object of the rental.

[Ins. Act
A994]

(3) For the purposes of subsection (2) (l), "a legislative body" means the Parliament of Malaysia or, in relation to a State, the authority having power under the Constitution of that State to make laws for the State, as the case may be.

15. Nature of copyright in broadcasts.

(1) Copyright in a broadcast shall be the exclusive right to control in Malaysia the recording, the reproduction, and the rebroadcasting, of the whole or a substantial part of the broadcast, and the performance, showing or playing to the public in a place where an admission fee is charged of the whole or a substantial part of a television broadcast either in its original form or in any way recognizably derived from the original.

(2) Notwithstanding subsection (1), paragraphs (a), (g), (gg), (ggg), (gggg), (h) and (o) of subsection (2) of section 13 shall also apply to the copyright in a broadcast.

(3) The copyright in a television broadcast shall include the right to control the taking of still photographs from such broadcasts.

16A. Nature of performers' right.

(1) Performers' right shall be the exclusive right to control in Malaysia—

- (a) the communication to the public of a live performance, except where the live performance used in such communication is itself a live broadcast performance;
- (b) the fixation of an unfixed performance;
- (c) the reproduction of the fixation of a live performance if—
 - (i) the fixation itself was done without the performer's consent;
 - (ii) the reproduction is made for purposes different from those for which the performer gave consent; or
 - (iii) the fixation was made in accordance with the provisions of subsection (3), and the reproduction is made for purposes different from those referred to in those provisions;
- (d) the first making available to the public of a fixation of a live performance, or copies thereof, through sale or other transfer of ownership; and
- (e) rental to the public of a fixation of a live performance, or copies thereof, irrespective of the ownership of the copy rented.

(2) A performer shall cease to have the exclusive right under subsection (1) once he has given consent to the fixation of his live performance.

(3) Notwithstanding subsection (1), the right to control under that subsection does not include the right to control—

- (a) a direct or an indirect sound recording or an indirect film of a live performance—
 - (i) being a sound recording or film made solely for the purpose of the private and domestic use of the person who made it; or
 - (ii) being a sound recording or film made solely for the purpose of use in scientific research;
- (b) a direct or indirect sound recording or film of a live performance—
 - (i) made for the purpose of, or associated with, the reporting of news or current affairs;
 - (ii) made for the purpose of criticism or review; or
 - (iii) made solely for the purpose of a judicial proceeding or the giving of professional advice by a legal practitioner;
- (c) an indirect sound recording or film of a live performance—
 - (i) being a sound recording or film made by, or on behalf of, the body administering an educational institution solely for the educational purposes of that institution or of another educational institution; or
 - (ii) being a sound recording or film made by, or on behalf of, the body administering an institution assisting persons with a print disability solely for the purpose of the provision, whether by the institution or otherwise, of assistance to persons with a visual, aural, intellectual and print disability;
- (d) a direct sound recording or film of a live performance made by a broadcaster who has the consent of the performer to broadcast the live performance, being a recording made solely for the purpose of making that broadcast provided that it is destroyed before the end of the period of twelve months beginning on the day on which any of those copies is first used for broadcasting the live performance;
- (e) a direct or an indirect sound recording or an indirect film of a live performance made by a person who reasonably believes, due to a fraudulent or innocent misrepresentation made to the person, that the performer has authorised the making of the recording by the person;

(f) a copy of a sound recording or film referred to in paragraphs (a), (b), (c) and (d), being a copy made solely for a purpose referred to in any of those paragraphs.

(g) a copy of a sound recording or film referred to in paragraph (e), being a copy made solely for the purpose referred to in that paragraph; and

(h) a copy of a sound recording or film referred to in paragraph (f), being a copy made—

(i) by a person who believes, due to a fraudulent or innocent representation made to the person, that the performer has consented to the making of the copy; or

(ii) solely for a purpose referred to in paragraphs (a), (b), (c) and (d).

(4) For the purpose of this section—

“direct” in relation to a sound recording or film of a live performance, means made directly from a live performance;

“indirect” in relation to a sound recording or film of a live performance, means made from a broadcast or rebroadcast of the live performance.

17. Duration of copyright in literary, musical or artistic works.

[*Am. Acts*
A994, A1082]

(1) Except as otherwise provided in this Act, copyright in any literary, musical or artistic work which subsists in such work under this Act shall subsist during the life of the author and shall continue to subsist until the expiry of a period of fifty years after his death.

[*Am. Acts*
A994, A1082]

(2) Where a literary, musical or artistic work had not been published before the death of the author, copyright which subsists in such work under this Act shall continue to subsist until the expiry of a period of fifty years computed from the beginning of the calendar year next following the year in which the work was first published.

[*Subs. Act*
A1082]

(3) Where a literary, musical or artistic work is published anonymously or under a pseudonym, copyright which subsists in such work under this Act shall continue to subsist until the expiry of a period of fifty years computed from the beginning of the calendar year next following the year in which the work was first published or first made available to the public or made, whichever is the latest:

Provided that in the event of the identity of the author becoming known, the duration of copyright shall be calculated in accordance with subsection (1).

(4) In this section, a reference to “author” shall, in the case of a work of joint authorship, be construed as a reference to the author who dies last.

19. Duration of copyright in sound recordings.

Copyright which subsists in a sound recording under this Act shall continue to subsist until the expiry of a period of fifty years computed from the beginning of the calendar year next following the year in which the recording was first published or, if the sound recording has not been published, from the beginning of the calendar year following the year of fixation. [Subs. Act A1082]

20. Duration of copyright in broadcasts.

Copyright which subsists in a broadcast under this Act shall continue to subsist until the expiry of a period of fifty years computed from the beginning of the calendar year next following the year in which the broadcast was first made. [Am. Act A1082]

21. (Deleted).

[Act A994]

22. Duration of copyright in films.

Copyright which subsists in a film under this Act shall continue to subsist until the expiry of a period of fifty years computed from the beginning of the calendar year next following the year in which the film was first published. [Subs. Act A1082;
Am. Act A1139]

23A. Duration of performers' Rights.

[Ins. Act A1082]

Rights in a live performance which subsists under this Act shall continue to subsist until the expiry of a period of fifty years computed from the beginning of the calendar year next following the year in which the live performance was given.

36. Infringements.

(1) Copyright is infringed by any person who does, or causes any other person to do, without the licence of the owner of the copyright, an act the doing of which is controlled by copyright under this Act.

(2) Copyright is infringed by any person who, without the consent or licence of the owner of the copyright, imports an article into Malaysia for the purpose of—

(a) selling, letting for hire, or by way of trade, offering or exposing for sale or hire, the article;

(b) distributing the article—

(i) for the purpose of trade; or

(ii) for any other purpose to an extent that it will affect prejudicially the owner of the copyright; or

(c) by way of trade, exhibiting the article in public,

where he knows or ought reasonably to know that the making of the article was carried out without the consent or licence of the owner of the copyright.

(3) Copyright is infringed by any person who circumvents or causes any other person to circumvent any effective technological measures that are used by authors in connection with the exercise of their rights under this Act and that restrict acts, in respect of their works, which are not authorized by the authors concerned or permitted by law. [Ins. Act
A994]

(4) Copyright is infringed by any person who knowingly performs any of the following acts knowing or having reasonable grounds to know that it will induce, enable, facilitate or conceal an infringement of any right under this Act: [Ins. Act
A994]

- (a) the removal or alteration of any electronic rights management information without authority;
- (b) the distribution, importation for distribution or communication to the public, without authority, of works or copies of works knowing that electronic rights management information has been removed or altered without authority.

(5) For the purpose of subsection (4) and section 41, “rights management information” means information which identifies the works, the author of the work, the owner of any right in the work, or information about the terms and conditions of use of the work, any numbers or codes that represent such information, when any of these items of information is attached to a copy of a work or appears in connection with the communication of a work to the public.

Appendix 2

A Critical Analysis of the Variation in International, Regional and National Responses to the Four Key Areas Selected in This Thesis.

Introduction:

As indicated in the Introduction, the focus of this work is on four legal issues: accessing webpages, caching, linking and framing. The laws at international, regional and national levels were examined in the thesis (chapter 4), in order to establish whether any of those legal provisions are appropriate to address the four issues, particularly in the context of Malaysia. In this appendix, a summary of these relevant laws will be given, stressing those provisions which may be useful to Malaysia in formulating its laws to regulate Internet activity.

International level:

The Berne Convention covers only one of the legal issues discussed in this thesis: accessing webpages and storage in RAM, where the process involves temporary copying. The Berne Convention¹ has a provision dealing with the reproduction right. Article 9 (1) of the Convention not only provides protection but also protects the exclusive right to authors of literary and artistic works to authorize the reproduction of their works in any manner or form. Although the wording of the Article does not expressly state that it applies to digitized works, the phrase 'in any manner and form' should be interpreted as widely as possible. Since we are in the digital age where works can be stored in digitized form, it is submitted that Article 9 (1) of the Berne Convention applies to the storage of works in electronic medium. If the Article only applies to the permanent copies, what will happen to the digitized work used by the online users without permission from the author? This

¹ See Chapter 4 page 178-179.

includes uploading and downloading a work into or from a computer's memory. Clearly the Berne Convention does not address all the issues raised by the digital revolution.

The WIPO Treaties, such as the WIPO Copyright Treaty (WCT),² address technological development. The Treaty acknowledges the impact of technological development on the creation and use of literary and artistic works and the need for new international rules. These new international rules are important in order to solve the problems raised by new economic, social, cultural and technological developments. All the member countries have to adhere to the requirements of the WCT and bring copyright up to date to reflect technological changes in particular, though not limited to the use of the internet as a means of disseminating and exploiting copyright works.

In general the WCT does not cover any of the four legal issues discussed in this thesis. It only covers the internet in general under Article 8. Article 8 states that "the authors of the literary and artistic works shall enjoy the exclusive right of authorizing any communication to the public of their works, by wire or wireless means including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them."

The WCT therefore is too brief and does not provide guidance on the difficult legal issues raised by the internet. It is submitted that the laws at the international level do not address important digital issues and, therefore, do not offer solutions. The Berne Convention covers accessing webpages and storage in RAM, however, the other three legal issues (linking, framing and caching) are not covered. The law at international level only provides a basic framework for the protection of the owners of works available on the internet. It is for the member countries to devise their own detailed national laws to implement the international objectives.

Regional level:

At the European regional level³, the Directive on the harmonisation of certain aspects of copyright and related rights in the Information Society⁴ (The Information Society Directive)

² See Chapter 4 page 180-182.

³ See Chapter 4 at page 184-193.

was examined (chapter 4) in order to find out whether its provisions address the four legal issues discussed in this thesis. The aim of the Directive is to bring copyright law up to date with the technological challenges as a response to the WIPO Copyright and Performances and Phonograms Treaties. Some of the provisions of the Directive are relevant to the four selected legal issues of this thesis.

Article 2 of the Information Society Directive provides for the exclusive right to authorize or prohibit direct or indirect, temporary or permanent reproduction by any means and in any form. However Article 5 (1) of the Directive provides the only mandatory exception, which concerns temporary acts of reproduction. In chapter 3 of the thesis and under section 28A of the CDPA 1988 it was demonstrated that accessing webpages⁵ and caching⁶ are temporary reproductions, therefore Article 5(1)b applies to these two processes.

Recital 33 of the Directive explains that the exclusive right of reproduction (specified in Article 2 of the Directive) should be subject to an exception to allow acts of temporary reproduction which form an integral and essential part of technological process and it covers acts that will allow browsing and caching to operate. Therefore Article 5 (1) of the Directive expressly requires a mandatory exception. It covers “temporary acts of reproduction, which are transient or incidental and an integral and essential part of a technological process, and whose purpose is to enable: (a) a transmission in a network between third parties by an intermediary, or (b) a lawful use of a work or other subject matter to be made, and which have no independent economic significance”.

Clearly Recital (33) and Article 5 (1) of the Information Society Directive cover two legal issues discussed in the thesis, browsing and caching. Both involve the reproduction of works through the making of transient copies. If those acts are done with the permission of the right-holder and not against the law then they are lawful. As regards the third legal issue, linking, there is no specific provision on this activity in the Directive. However, anybody who puts up content in a webpage impliedly wants other users to visit the website. There is no point in putting up content in the website if nobody can view it. Therefore, impliedly, the owner of the website authorises other users to link to his website. It is

⁴ See Chapter 4 at page 186-193.

⁵ See Chapter 3 at page 140.

⁶ See Chapter 3 at page 172.

submitted that an implied licence can be assumed. In relation to framing the situation is similar to linking. There is no specific provision on this either, however the principles of copyright and trademark can be applied to framing.⁷

Thus, in general, the Information Society Directive only addresses the issues on browsing and caching, which temporary reproductions are transient or incidental, forming an integral and essential part of technological process. The Directive does not contain specific provisions on linking and framing. However, it can be argued that an implied licence can be applied to linking as explained above.

National level:

The national copyright laws of the United Kingdom⁸, USA⁹ and Malaysia¹⁰ were described and examined in relation to the four legal issues (accessing webpages, linking, caching and framing).

United Kingdom:

The Information Society Directive was implemented in the UK in 2003 by way of a Statutory Instrument. The Copyright Regulations 2003 (the Regulations) will be examined to see whether the four legal issues discussed in the thesis are covered. As regards accessing webpages and caching, the Regulations have implemented Article 5 (1) of the Directive. A new section 28A¹¹ was added to the CDPA which covers the making of temporary copies. Both accessing webpages and caching involve the making of transient copies therefore are relevant to section 28A. Caching is also addressed under the Directive

⁷ See appendix 2.

⁸ See chapter 4 at page 193-203

⁹ See chapter 4 at page 204-215.

¹⁰ See chapter 5

¹¹ Section 28A states that copyright in a literary works, other than a computer program or database, or in a dramatic, musical or artistic work, the typographical arrangement of a published edition, a sound recording or a film, is not infringed by the making of a temporary copy which is transient or incidental which is an integral and essential part of technologies process and the sole purpose of which is to enable

- (a) a transmission of the work in a network between third parties by the intermediary or
- (b) a lawful use of the work

and which ha no independent economic significance.

on Electronic Commerce, where under Article (43)¹² the service provider can benefit from the exemption for “mere conduit” and for caching when he is in no way involved with the information transmitted...”

As regards linking, there are no specific provisions in the CDPA on this issue but section 16 (2) of the CDPA permits the copyright owner to authorize another person to do any of the acts restricted by the copyright.¹³ Thus one can argue that the owner of a website can authorize anybody to link to his website. It is submitted that the person who creates a link in the case of deep linking, can be said to authorise users to link to his website. It can also be argued that linking falls under an implied licence. As stated above, anyone who creates a website impliedly wishes that there will be users who want to link to his website. Therefore, a licence is implied to authorise linking.

As regards the issue of framing, since the CDPA amendments were based on the Information Society Directive and the Directive itself does not address the issue of framing, there is no specific provision on framing under the CDPA amendment. However, the principles in copyright law and trademark law, particularly “passing off”, can be applied to framing.¹⁴ Since the content of the website is copyright protected, therefore anyone who frames the content of another person’s website without his permission will infringe copyright. On the other hand, “passing off” action may be taken in a situation where a frame is used to point to another website and if there is suggestion, either express or implied, that there is relationship between the two sites.

The United States of America:

The US has the most advanced copyright legislation governing the internet. Thus countries all over the world observe the development of US law in that respect with interest. Thus for the purpose of this thesis US Copyright law on accessing webpages, linking, caching and

¹² Article (43) of the Directive on Electronic Commerce states that a service provider can benefit from the exemptions for “mere conduit” and for “caching” when he is in no way involved with the information transmitted; this requires among other things that he does not modify the information that he transmits; this requirement does not cover manipulations of a technical nature which take place in the course of the transmission and do not alter the integrity of the information contained in the transmission.

¹³ See chapter 4 at page 198.

¹⁴ See appendix 2.

framing will be examined. It was found that the issue on accessing webpages was covered by safe harbour under section 512 (a) of DMCA.¹⁵ Under this section, the service provider is protected from an action of infringement when he transmits, routes or provides connections for materials through a system or a network controlled or operated by the service provider by intermediate and transient storage of that material in the course of such transmitting, routing or providing connections, if they fulfil certain conditions.

The issue of caching is covered under the second safe harbour which provides that the ISPs could make immediate and temporary storage of material on a system or network controlled or operated by or for the service provider in the case where the material is made available online by a person other than the service provider.

The issue of linking is covered by the DMCA under the safe harbour rule concerning information location tools. Under this safe harbour the ISPs are exempted from liability for copyright infringement by the act of the provider referring or linking a user to an online location if the service provider does not know that the material is infringing.

However, the safe harbour does not cover the issue on framing.

Malaysia:

The effort carried out by Malaysia in tackling the technological challenges were examined in chapter 5. As regards accessing webpages, there is no express provision on this issue in the Malaysian Copyright Act. On the other hand, the definition of reproduction allows copies to be made in any form or version, this is provided under section 3. As the words 'material form' cover any form, either visible or not, it is submitted that the issue of accessing webpages falls under this section. The issue of caching is covered by the Content Code. Even though there is no specific provision on linking it is submitted that it is covered by an implied licence. Obviously there are gaps in the Malaysian Copyright law as demonstrated in chapter 6¹⁶ of the thesis where there are no specific provisions on framing nor on linking and no provisions concerning the making of temporary copies. The

¹⁵ See Chapter 4 at page 208.

¹⁶ See page 260 of the thesis.

Malaysian law is inadequate in handling the digital issues on the internet and needs to be improved substantially.

Conclusion:

In conclusion, the law at the international level only provides the basic framework of the law in handling the issues raised by the technological development. International treaties do not address all the digital issues and they are too brief. It is therefore difficult for the member countries to enact their own laws in tackling the digital issues without precise guidelines. Only the Berne Convention addresses the issues of accessing webpages, under Article 9, but WCT provide no provisions on linking, framing or caching.

At the regional level, the EU through its Information Society Directive has laid down rules on digital issues based on WIPO guidelines. The Information Society Directive addresses the issues discussed in this thesis relating to browsing and caching, which is expressly provided for under Article 5(1) and explained in Recital (33). Although there is no express provision on linking, it is submitted that the matter is covered by an implied licence. However there is no express provision on framing. Since the EU follows the guidelines from WIPO and under the WIPO treaties there is no express provision on framing, this is probably why there is no provision on framing in the Directive. In response to the WCT, clearly the Information Society Directive contains more provisions on digital issues than the WIPO itself.

At the national level the UK has implemented the EU Information Society Directive. Therefore the issues of accessing webpages and caching are covered under section 28A of the Copyright and Related Rights Regulations 2003. However, like the EU Directive, there are no specific provisions in the CDPA on linking and framing although linking may be covered by an implied licence. This is not surprising because the UK merely implemented the obligations arising under the EU Information Directive.

It cannot be denied that the US, under the DMCA, has addressed almost all the legal issues in this thesis. The safe harbour under the DMCA covers three of the four legal issues, accessing web pages, linking and caching. The only issue not addressed by the DMCA is

framing. It covers the issue on linking which is not covered by the Information Society Directive. Therefore, it can be said that the US offers better protection as regards the four legal issues selected for analysis in this thesis. The DMCA provides more solutions to the existing digital problem compared to the EU Information Society Directive. However, the only similarity between the DMCA and Information Society Directive is that both do not have specific provisions on framing.

Both the DMCA and Information Society Directive try to fulfil the need to introduce new rules in order to provide solutions to the problems raised by technological development, which is also the aim of the WCT. As for the Information Society Directive, the EU had to consider the views of its Members States before adopting the Directive. The Member States then had to enact laws implementing the Directive in their own national legal orders. However, the US position is different: it can come up with its own law without having to consult other countries although it has to consider the WIPO treaties. Hence the US law regarding the internet is more advanced when compared to EU law. Another point is that since the internet itself originated in the US, it is not surprising that the US law on the internet is far more advanced than in the EU, and in other countries for that matter.

As for Malaysia, an improvement has to be made to the existing Act in order to handle the internet issues more effectively. In the case where neither the EU nor the UK have solution to the problems, Malaysia has to consider the legal development on the internet in the US¹⁷ since US law has provided for three out of four legal issues discussed in the thesis, and must also follow US law as guidance in amending the Act in the future. From the above discussion none of the bodies at international, regional or national levels have managed to solve all four legal issues (accessing webpages, linking, caching and framing) discussed in the thesis by means of specific provisions in their laws. Only the US has managed to solve three out of the four, through the safe harbour provisions.

¹⁷ See Chapter 6 at page 261.

Appendix 3

A Fuller Exploration of the Issue of “Framing”.

Introduction:

Framing is one of the legal issues discussed in the thesis. Like the other three legal issues, linking, accessing webpages and caching, framing is important and there are court cases concerning framing. Normally, the legal issue on framing appears in the same cases where linking is also an issue. Framing can cause several legal concerns. There is no specific provision on framing in any Acts, and the question is, how to apply the longstanding principles of copyright and trademark to this issue, and whether they can solve the problems caused by framing.

As the owner of the copyrighted works, the website owner has exclusive rights granted by copyright law to do certain acts, such as: the right to reproduce copyrighted works; the right to prepare derivative works based on the copyrighted works; the right to perform to the public and the right to display the copyrighted works publicly. Hence, the act of one person framing the website of another without his authorization will be an act of reproducing that particular website. The person who frames the content of a website within another website may infringe a copyright by way of reproducing or making a derivative work by using the original work. The court will have to consider the purpose and the function of the frame in order to determine which of the exclusive rights have been infringed.¹

Any works that are derived from any pre-existing copyright works are considered to be derivative works. It is important to seek consent from the owner of the copyright of the original work because the making of derivative works concerns the acts protected by copyright. In the case of framing, the owner of the website that has been linked without his authorization may argue that the display of his web page in a frame is an unauthorized

¹<http://www.gigalaw.com/articles/2000-all/kubiszyn-2000-04-all.html> accessed 1/5/2005

derivative work and infringes copyright. This is because, in the browser, the display of his webpage as a whole will have been altered by the frame surrounding the linked material.² Since much of the material subject to copyright protection transmitted on-line falls under the realm of work of authorship, such as literary and musical works, copyright law will protect the authors of on-line publications and websites.³

Copyright principles and the issue of framing:

There are many ways by which framing could constitute copyright infringement of a site's copyrighted material. In order to solve the problem caused by framing, reference will be made to copyright principles. Copyright law grants protection to categories of works specified by the Act such as literary, dramatic, artistic and musical works. This protection is given to the original work, created by its author, without regard to the quality of the work. There is no requirement for formality or notice: protection is given automatically to the author when he produces the work. Website owners who put up content in their websites are entitled to copyright protection for their websites irrespective of the quality of that content, therefore anyone who frames the content of another person's website without his consent will have infringed that copyright. Framing has given rise to several claims.

In a US case, Futuredontics v Applied Anagramics, Inc.,⁴ the issue was whether framing created a derivative work. In this case, the plaintiff has a dental referral business using the anagrammatic phone number "1-800-DENTIST." AAI, which owns the registered service marks "1-800-DENTIST", granted the plaintiff exclusive use of the telephone number and service mark throughout the United States. The plaintiff created the internet website which consists of webpages containing graphics and text in order to advise its dental referral business and these webpages were copyrighted. AAI also created a website, including a link which reproduces Futuredontics's webpages within a frame. Therefore, the AAI frame page has AAI's logo, information on AAI, and a frame around the reproduction of the webpage from the Futuredontics site. Futuredontics alleged that the defendants had

² <http://library.lp.findlaw.com/articles/file/00323/005688/title/subject/topic/Intellectual%...> Accessed 1/3/2005

³ Chan, Raymond, Internet framing: complement or hijack? 1999 at http://www.mttl.org/volfive/chan_art.html

⁴ No. 97-56711, D.C. No. CV 97-6991 ABC (MANx) July 23, 1998, available at <http://uk.westlaw.com/ezphost.dur.ac.uk/result/documenttext.aspx?n=1&mt+WestlawU> accessed 1/5/2005

reproduced its copyrighted webpages without its authorization and had combined AAI material and the plaintiff's website.

In order to establish copyright infringement the plaintiff had to prove that plaintiff owned the copyrights and the defendants had copied the plaintiff's copyrighted work. One of the exclusive rights of the copyright owner is to prepare derivative work based upon the copyrighted works. The defendants contended that the plaintiff's copyright infringement claim should be dismissed because the framed link did not create a derivative work. The court, however, indicated that insufficient evidence had been brought to demonstrate that framing created a derivative work. To succeed, the plaintiff company had to establish either the possibility of irreparable injury, or demonstrate that the balance of hardship was in its favour. Thus the plaintiff needed to show, at the very least, minimum (measurable) harm or a probability of such harm occurring. Futuredontics alleged that the AAI frame "falsely implies that AAI not Futuredontics is responsible for the success of Futuredontics' dental referral service". Even if that was true, however, it was not tied to any tangible loss of business or customer goodwill. Futuredontics did not present any evidence of tangible, irreparable harm resulting from AAI's framed link.

Another relevant case, Digital Equipment Corporation v Altavista Technology Inc.⁵ concerned the public distribution, display and performance rights which may be infringed if framing has altered the distribution, display or performance of the original site's content.⁶ In this case, both the plaintiff Digital Equipment Corporation (Digital) and the defendants AltaVista Technology Incorporated ("ATI") operate electronic services and distribute software over the internet. Digital has a World Wide Web "search engine" service known as AltaVista, and has also purchased ATI's rights in its trademark "AltaVista". Digital licensed to ATI the right to use "AltaVista" in certain defined ways. "AltaVista" was to be written in large, bold letters at the top of the page at ATI's website, and beneath this a banner advertisement and a link with which users could search the Net with AltaVista. However, ATI had altered its website, and included a banner advertisement of an unrelated product beneath which was a solicitation encouraging users to "click here for advertising

⁵ 960 F.Supp.456 (D.Mass. 1997) available at <http://uk.westlaw.com/result/text.wl?RP=/Find/default.wl&RS=WLUK4.03&VR=2.0&S>

⁶ <http://www.publaw.com/framing.html>. accessed 1/5/2005.

information-reach millions every month!” There was a graphical representation, which was similar to Digital’s AltaVista search engine interface, below that. A statement was inserted below this graphical representation, telling users to “search with Digital’s AltaVista.” The technique of “framing” was used to create this similar impression. Users could travel to Digital’s site, which appeared inside the “frame” of ATI’s site, while at ATI’s site, and still be able to view its advertising. The court found that the Digital had satisfied its burden of proving the likelihood that ATI had breached its licence to use the “AltaVista” mark. Digital had the right to control the use of the AltaVista mark, and nothing in its licence with ATI allows the defendant to capitalize on Digital’s investment of time and money in creating a recognized mark in use on the web. A user might easily be confused into believing that ATI’s “AltaVista” website belongs to Digital when “surfing” the sites. The court ruled that the defendant would be restrained from using the AltaVista mark in any fashion other than as part of the internet address and as part of ATI’s full corporate name “AltaVista Technology, Inc.”, in which each element of the full corporate name is displayed in the same form, including, but not limited to, size, typeface and colour. The defendant was also restrained from using on its webpage at <http://www.altavista.com> or elsewhere, a link (without any search boxes), direct or indirect, to Digital’s AltaVista Internet Search Service that creates a false impression that ATI’s website is Digital’s AltaVista Search Service.

Another case of interest is Washington Post G v Total News Inc.,⁷ which unfortunately was settled before the court delivered its judgment. The defendant settled the case by agreeing to stop framing the plaintiffs’ websites. The facts were as follows. The plaintiffs, Washington Post and several other companies, brought an action alleging that the defendant had framed the content of the plaintiffs’ website which was reproduced in one of the defendant’s frames. The plaintiffs contended that the defendant’s actions amounted to trademark infringement as well as copyright infringement. Framing caused the plaintiffs’ websites to appear not in the form that they intended, but in an altered form designed by the defendants for the defendant’s own economic advantage. There were lists of “name-brand” news sources and trademarks associated with the plaintiffs in the defendant’s website. By clicking on the trademarks, the Totalnews.com users, the defendants’ customers, could

⁷ No. 97 Civ.1190 (PKL) (S.D.N.Y. filed Feb. 20, 1997) available at <http://www.nd.edu/~pbellia/total.html>

access the plaintiffs' corresponding websites. The defendant's website consisted of the totalnews.com URL at the top and rectangular icons with the trademarked names of plaintiffs and others running down the left margin. To attract users to their website, the defendants relied entirely on the content of the plaintiffs' sites, as well as exposing the users to the advertising, logo and URL of the defendants.

More recently, Kelly v Arriba Soft Corporation⁸ involved two distinct activities: firstly the reproduction of Kelly's images to create small pictures or "thumbnails", and the use of those thumbnails in Arriba's search engine. The second activity was the displaying of Kelly's images through inline linking and framing processes, when a user clicked on the thumbnails. The plaintiff in this case was a professional photographer. He owned the copyright of several images of the American West, some of which appeared in his own website. The defendant provided an internet search engine, and displayed the results in the form of thumbnails. If the users clicked on one of the thumbnails they would see a large version of the same picture in the Arriba webpage. When the users double-clicked on the thumbnails, this produced the "Image Attributes" page, which contained the original full-sized image, imported directly from the originating website along with the text. Thus, the image imported was displayed as though it formed part of the defendant's webpage and was surrounded by the text and advertising of the defendant's webpage. The site produced two new windows on top of the Arriba page when a user clicked on the 'source' link. This is a framing technique enabling the imported full-sized image from the originating webpage to appear in the window in the forefront. Thus, the frame that is pulled into the primary site's webpage enables the image from the second website to be viewed. Kelly brought an action against Arriba when he found out that his photographs appeared in Arriba's search engine database. The district court granted summary judgment in favour of Arriba. Although Kelly had establish a *prima facie* case of infringement based on Arriba's reproduction and display of Kelly's photographs, the court decided that such actions by Arriba constituted fair use. The court also ruled that two of the fair use factors weighed heavily in Arriba's favour. The court decided that the character and purpose of Arriba's use was significantly transformative and the use did not harm the market for or value of Kelly's works.

⁸ No. 00-55521 (9th Cir. 02/06/2002). available at http://biotech.law.lsu.edu/cases/IP/copyright/kelly_v_arriba_soft.htm

On appeal, the Ninth Circuit Court of Appeals (USA) decided that the display on the search engine of thumbnails of copyrighted images by the defendant without the consent of the copyright owner was a protected fair use under the US copyright Act. However, the court also held that the defendant had infringed the copyright owner's right to display the work publicly by displaying the full copyrighted image as part of its search engine results via inline linking or framing.

Framing and Trademark law:

As already seen in the US cases mentioned above, trade mark infringement was pleaded in addition to infringement of copyright in cases concerning framing. A trademark owner's rights may be infringed in a case where the use of the trademark suggests an association with the trademark owner. There is also the possibility that there will be confusion among Net users, for example, in the case where a person has used a frame with a link to another person's webpages. The content of the webpages of the latter will be mistaken for the content of the former.⁹ The user will be able to view the content of framed website (A) while looking at the home page of the website B. If the URL displayed at the top of the webpage belongs to website B, this may well make users think that there is an affiliation with the framed site.¹⁰ The identity of the target company which provides the goods and services will be obscured because the URL of the framing company appears on the browser, and it may seem that the framer is the provider of the goods and services. Therefore, the target company whose contents have been framed may argue that framing infringes their trademark. In an action for trademark infringement, the plaintiff must prove that the defendant's use of the plaintiff's trademark has caused confusion among a number of the plaintiff's customers.¹¹

A case where trade mark infringement was alleged in the context of framing was Hard Rock Café International (USA) Inc v Morton, et al.¹² In this case, the defendants sold their interests in the Hard Rock Café business to the plaintiff, and entered into several

⁹ Hernando, Isabel, The legal protection of IT components Part II- other intellectual property laws applicable to the IT components, computer Law & Security Report, 2003, Vol. 19 no. 4, p. 275.

¹⁰ Farrera, Gerald R, Lichtenstein, Stephen D et. al., Cyberlaw Text and cases, 2004, Thomson South-western West, second edition, Ohio, p.74.

¹¹ <http://www.patentperfect.com/idea.htm> accessed 1/3/2005

¹² 1999 U.S Dist. Lexis 8340 (S.D.N.Y. June 1 1999)

agreements which permitted the defendants to retain ownership of the Hard Rock Hotel and Casino. The defendants made an agreement with Tunes Network Inc. to sell CDs to the public, and installed a link on their website. When users clicked on this link, it brought them straight to the Tunes Network webpage, which appeared in frames of the defendants' website. The Hard Rock Hotel logo appeared in the frames above and to the left of the Tunes Network webpage. The court held that the use of the Hard Rock Hotel mark in frames around the Tunes page had violated the parties' agreement, and by using frames in this fashion the defendants were using the Hard Rock Hotel mark to advertise and sell CDs, even though the actual sales were being conducted by Tunes. In reaching this conclusion, the court relied on the principle of trademark law in which 'passing off' occurs. The appearance of the content of the framed site on the same page as content from the site containing the composite page can lead some users to believe that the material displayed in a frame has been licensed to the host of the composite page.

Any copyright notices on the composite page may mislead viewers into thinking that they are applicable to the contents found at the framed site. Also, any notices setting out limitations on the use of the material located on the framed site may be bypassed. Combining material from two websites on the same screen may also lead to an incorrect inference that the owner of one website is endorsing the goods or services of the other party or that some type of affiliation or business relationship exists between the owners of the two sites. Trademarks contained on pages at the frame site will appear in conjunction with material, including advertisements, displayed in other frames on the composite page. This may constitute 'use of the trademark with other product or services leading to dilution of marks'.

On the internet, trademarks are used on websites by traders as a means of distinguishing their products from the products of others. Trademarks are also used in order to show the source of products or services of the traders. The reputation and goodwill associated with the product or services of the traders will be protected by trademark law. The trademark also receives a certain level of protection under the common law action for 'passing off'. In the case of framing, where a frame is used to point to another website with a suggestion, either express or implied, that there is a relationship between the two sites, such conduct

may give rise to a trademark infringement, or, more likely, an action in the common law of 'passing off'.

'Passing off' seeks to prevent one trader from representing his goods or services as those of another. It requires a misrepresentation causing confusion as to an association between traders. There must be a misrepresentation, by the defendant to the customer, of goods or services supplied by the plaintiff.¹³ The plaintiff will succeed if he can prove that the defendant has duplicated the plaintiff's distinctive trademark and that the duplication caused confusion among the plaintiff's consumers as to the source of the goods and services. The defendant in a 'passing off' action creates confusion as to the identity of his goods in order for the public to associate his goods with the plaintiff's goods and services.¹⁴ For example, the use of framing, which obscures the identification of the ownership of the website to which the link is made, suggests that the products, services or information available on that site originate with the owner of the site creating the link. The test is whether customers would reasonably believe that there is a connection between the wares, services or business of the plaintiff and those of the defendant. The lack of an intention to deceive is not relevant where the representation is factually false. Some cases have found that any continued use of the plaintiff's name, after the plaintiff has warned the defendant of the plaintiff's rights, may also raise an inference of fraud. There may also be a misrepresentation if the defendant is associated with the plaintiff where both parties are not doing similar business. Therefore if there is a false representation by the defendant that the business are related to one another, this may damage the reputation and goodwill of the plaintiff's business. The misrepresentation must be to the origin and not mere quality.¹⁵ The viewers, in the case of framing, were confused as to the origin of the website they were viewing. There is a presumption that the public will be deceived once the infringer adopts a mark similar to another.¹⁶

¹³ <http://www.patentperfect.com/idea.htm> accessed 1/3/2005

¹⁴ Michaels, Amanda, A practical guide to Trademarks, 1982, ESC Publishing Ltd., Oxford, p. 101.

¹⁵ Marcom, Roughton et. al., The Modern Law of Trademarks, 1999, Butterworths, London, Dublin, Edinburgh, p.249.

¹⁶ Chan, Raymond, Internet framing: complement or hijack? 1999 at http://www.mttl.org/volfive/chan_art.html

Conclusion:

Framing is part of the powerful internet technology, and the practice must be considered because it concerns the display of the content of another website which is protected by copyright. As far as US law on framing is concerned, the legal issues raised by the Totalnews case are still unsolved as the parties settled the case before the court could have ruled on the matter. Guidelines as to the law applicable to framing have yet to be established.¹⁷

As far as UK law is concerned, there is no specific provision on framing under the CDPA 1988. This is not surprising since there is no express provision regarding framing in the EU Information Society Directive. Thus the UK has no EC Treaty obligation to adopt legislative measures concerning framing.

In Malaysia, the situation is similar to that in the UK: there is no specific provision regarding framing. As a Commonwealth country, Malaysia is influenced by the development of the law in the UK. Therefore, it is submitted that, in the absence of a legislative provision on framing in UK and Malaysian law, then the principles of copyright and trademark law may be the best solution to the problem. The Malaysian Copyright law is similar to UK law, as discussed in the thesis.¹⁸

The existing principles of Copyright law are relevant and can be applied to framing, but trademark law and passing off are even more relevant to acts of framing. It is concluded that there is no need for any legislative action, since the existing laws can deal with difficulties arising from the action of framing the contents of another's website.

¹⁷ <http://www.publaw.com/framing.html> accessed 1/5/2005.

¹⁸ See Chapter 1, 2 and 5 of the thesis.

Appendix 4

An Exploration of the Relevance of Article 6 of the Information Society Directive Adopted by EU.

Introduction:

The Copyright law confers rights on the authors¹ of the copyrighted work to control the use of the work. In the digital environment the copyright owner may place his work on the website where any users can access it, and so the copyright owner may wish to protect his property from various uses by inserting a technological protection measure (TPM), such as encryption, on his website. A problem may then arise when the user, who wishes to use that copyrighted material on-line for a purpose protected by the fair dealing defence (for example, private study) cannot access the material unless it circumvents the TPM placed by the author on his web site. In this situation, there is a possibility of conflict between the parties which some legal systems have addressed. Are there any legal means available to enable the user to access the copyrighted work protected by TPM for fair dealing purposes? Can the fair dealing defence be applied and be effective in these circumstances? The fair dealing defence was discussed in the thesis² in the context that it may be used by the defendant whenever an act is permitted, and as a statutory defence in cases of copyright infringement.

At the international level, the obligation on contracting States to provide remedies for the circumvention of TPMs is to be found in Article 11 of the WCT.³ This provision was implemented, at regional level, by the European Union Directive on the Harmonisation of Certain Aspect of Copyright and Related Rights in the Information Society (The

¹ The words “author” and “owner” are used interchangeably to mean the “owner of the website material.”

² See Chapter 2, page 94-112 of the thesis.

³ Article 11 WCT requires the “contracting parties to provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are used by authors in connection with the exercise of their rights under this Treaty or the Berne Convention and that restrict acts, in respect of their works, which are not authorized by the authors concerned or permitted by law.”

Information Society Directive). The Directive contains a specific provision on TPM,⁴ Article 6, which will be examined further in this Appendix. The analysis will be generally limited to the four legal issues (linking, framing, caching and accessing webpages) which are the focus of this thesis.

TPMs are not likely to be relevant to the issue of caching because caching relates to making transient copies inside the RAM of the computer. TPMs prevent activities outside the RAM of the computer. The owner of any TPM-protected material on the website may well wish to prevent the user from linking and framing the website. It seems less likely that accessing webpages would be restricted as the primary function of posting material on the internet is to enable browsing. If a website owner places a TPM on the website, it will stop users from browsing which would defeat the whole purpose of surfing the Net. However, the TPM might be relevant to browsing where the website owner decides to place a TPM to enable only subscribers to that particular website to have access to its contents. Therefore the discussion in this Appendix will be limited to the legal issues concerning TPM in the context of linking, framing and accessing/browsing webpages: the law on remedies against the circumvention of TPMs in relation to fair dealing purposes will be examined further.

Remedies concerning the Circumvention of Protection Measures (TPMs):

The legal remedies available to copyright owners to prevent the circumvention of TPMs have already been mentioned in the thesis⁵ but will be further detailed here. Articles 6(1) and (2) of the Information Directive oblige Member States to provide, in their legal systems, protection against the act of circumvention of effective technological measures. It also requires Member States to provide adequate legal protection against, for example, the manufacture, import and distribution of devices for commercial purposes.

TPMs are defined in Article 6(3) of the Directive as “any technology, device or component that, in the normal course of its operation, is designed to prevent or restrict acts, in respect of works or other subject matter, which are not authorised by the right-holder of any copyright or any related right to copyright as provided for in Chapter III of Directive

⁴ This Directive, and particularly Article 6 on TPM, was briefly considered in Chapter 4 at page 203.

⁵ See page 203, Chapter 4 of the thesis.

96/9/EC.” The Article also states that a technological measure is considered to be ‘effective’ where “the use of a protected work or other subject matter is controlled by the right-holders through application of an access control or protection process, such as encryption, scrambling or other transformation of the work or other subject matter or a copy control mechanism, which achieves the protection objectives.” The intention of the Directive is clear. It obliges the Member States to introduce appropriate legislation to give protection to the TPM itself against circumvention in order to allow the author of the copyrighted work to control the use of the work in the internet. This is normally done by access control or a protection process such as encryption, scrambling or other transformation of the work. Therefore the question to be considered in this Appendix is, how, if at all, does the Directive (and the UK legislation implementing the Directive) provide the means for the user to be able to access TPM-protected material for fair dealing purposes?

The European Union Directive:

The Information Society Directive provides a list of exceptions and limitations that shall apply to copyrighted works that are “locked down” by technological measures. Article 6(4), paragraph 1 provides exceptions to liability for the circumvention of technological measures. Thus the right-holders have to accept certain exceptions under Article 6(4) paragraph 1, some of which may be relevant to fair dealing purposes since there are express links between Article 6 (on the circumvention of TPMs) and Article 5(2) (on permitted acts). By way of introduction it should also be mentioned that Article 6(4) exceptions raise several unresolved issues, not least the meaning of expressions used such as ‘voluntary measures’ and ‘appropriate measures.’ The meaning of these terms is far from clear and will not be considered in this Appendix. Article 6(4) paragraph 2 concerns the relationship between private use (Article 5(2)(b)) and TPMs which may also be relevant when considering the impact of Article 6 on fair dealing. Appropriate measures to allow private use may be taken by the Members States so the user can take advantage of this private use exception. However the factors which have to be considered for this paragraph to apply are still vague.⁶

⁶ Postnote October 2002 Number 185 Copyright & the internet, p. 2.

There must be a balance between the copyright owner's right and the public interest in having access to copyright materials for certain uses without having to obtain permission from the copyright owner. Technology has made it possible for the copyright owner to restrict access to copyright works by using encryption or other measures. If these measures are circumvented then the user commits a breach of copyright law. Article 6(4) provides an exception where a copyright work is made available on-line to the public on agreed contractual terms such that members of the public can access the work at a place and time individually chosen by them. An example would be where an on-line database is available to users by subscription.⁷ However the meaning of "interactive on-demand services" is still vague as to its scope.⁸

United Kingdom:

In the UK, the Copyright and Related Rights Regulations 2003 implemented the Information Society Directive and introduced several changes to UK copyright and neighbouring rights law including protection and remedies against circumvention of TPMs.⁹ Obviously there will be a problem for any person who wishes to use the copyrighted work for purposes of fair dealing because the owner has placed a TPM on access or use of the material on the website. The provision on TPMs in the implementing Regulations is the most controversial one as it introduces administrative obstacles to the use of copyrighted material protected by TPMs for purposes previously covered by the fair dealing defence.

Section 296ZE provides a solution to this conflict of interests by providing a scheme for voluntary measures or agreements to enable a person to carry out a permitted act. Section 296ZE(2) also states that in cases "where the application of any effective technological measure to a copyrights work other than a computer program prevents a person from

⁷ Gasser, Urs, Girsberger, Micheal, Transposing the Copyright Directive: legal protection of technological measures in EU-Member States. A genie stuck in the bottle? Available at <http://cyber.law.harvard.edu/publications>

⁸ Postnote October 2002 Number 185 Copyright & the internet, p.2

⁹ The term 'technological measures' is defined in the section 296ZF(1) of the Copyright Regulations 2003.

carrying out a permitted act in relation to that work then that person ...may issue a notice of complaint to the Secretary of State.”

Therefore it clearly provided for the continuation of permitted acts such as fair dealing. Section 296ZE(1) paragraph 1 defines a ‘permitted act’ as an act ‘which may be done in relation to copyright works, notwithstanding the subsistence of copyright by virtue of a provision of this Act listed in Part 1 of Schedule 5A.’ Part 1 of Schedule 5A, provides a list of copyright exceptions applicable to works protected by TPMs including public policy exceptions such as uses for copying by librarians and also acts covered under fair dealing: i.e. research and private study. Section 296ZE does not protect all the permitted acts. A new Schedule 5A added to the Copyright Act lists the permitted acts covered by the section. There is no provision for fair dealing for criticism or review or for reporting current events and incidental inclusion.¹⁰ If the permitted acts cannot be carried out due to the TPM, a person or representative of a class of such persons may issue a notice of complaint to the Secretary of State who may give directions to the copyright owner or exclusive licensee to grant access. An investigation will be undertaken in order to examine “whether any voluntary measure or agreement relevant to the copyright work the subject of the complaint subsists” exists. If it is found that there is no subsisting voluntary measure or agreement then the Secretary of State may give a direction requiring the copyright holder or the exclusive licensee to ensure that the complainant can benefit from the permitted act.¹¹

According to section 296ZE(6), the obligation to comply with the direction is a duty owed to the complainant or, where the complaint is made by a representative of a class, to the representative as well as each person in the body represented. A failure to comply with a direction would result in a breach of statutory duty, which is actionable by the complainant or representative of a body of complainants. The provision is a warning to right-holders to consider the exceptions under the CDPA when they are using TPMs to protect their work.¹² However, the procedures do not apply to works “made available to the public on agreed contractual terms in such a way that members of the public may access them from a place

¹⁰ Gasser, Urs, Girsberger, Micheal, Transposing the Copyright Directive: legal protection of technological measures in EU-Member States. A genie stuck in the bottle? Available at <http://cyber.law.harvard.edu/publications>.

¹¹ See Section 296ZE (2) of the Copyright Regulations 2003

¹² Hart, Micheal, Holmes, Steve, Implementation of the Copyright Directive in the United Kingdom, 2004 E.I.P.R., p.256.

and at a time individually chosen by them.” This provision reproduces the wording of Article 6(4) paragraph 4 of the Information Society Directive almost verbatim, and as a consequence, does not provide much guidance as to the application of section 296ZE to the online environment. There is no definition of words ‘agreed contractual terms’ and no indication as to whether the provision will apply in the circumstances where the user has no realistic means of negotiating the terms.¹³

As mentioned at the beginning of this appendix, the provisions introduced relating to the protection of TPMs may be relevant to the issues on linking, framing, and accessing/browsing webpages. The right-holder probably provides a TPM on his website in order to stop users from browsing, linking and framing so that nobody can copy his copyrighted works. If that is the case then, this will affect the ability of users to link and browse the website which is a normal activity in the internet. Therefore a user may seek access to the copyrighted material by relying on fair dealing. For instance, the user may argue that he wishes to link to the right-holder’s website because he wishes to use the material from that website for non-commercial research (fair dealing defence). Under UK law if there is a contract between the right-holder and the user then the contract prevails and fair dealing does not apply in this case. However if there is no contract between them, then the user may seek permission from the Secretary of State. Considering the hurdles described above that must be overcome before the user can access internet copyrighted material protected by a TPM, it is obvious that a permitted act, based on the fair dealing exception, has been weakened, not to say made useless.

The United States:

The major purpose of the Digital Millennium Act (DMCA), which was enacted in 1998, was to bring US law in compliance with WIPO, WCT and WPPT. Congress sought to balance the claims brought by persons opposed to anti-circumvention measures and those who claim the need to extend copyright protection to the new technologies. Section 1201¹⁴

¹³ Ibid.

¹⁴ Under section 1201 “(a) violation regarding circumvention of technological measures. (1)(A) No person shall circumvent a technological measure that effectively controls access to a work protected. (2) No person shall manufacture, import, offer to the public, provide, or otherwise traffic in any technology, product, service, device, component, or part thereof, that- (A) is primarily designed or produced for the purpose, of-

of the DMCA provides for the circumvention of copyright protection systems. To “circumvent a technological measure” is defined as to “descramble a scrambled work, to decrypt an encrypted work or otherwise to avoid, bypass, remove, deactivate, or impair a technological measure, without the authority of the copyright owner.”¹⁵ Section 1203 provides for civil remedies where “any person injured by violation of section 1201 and 1202 may bring a civil action in appropriate United States district court for such violation.” The courts have power to grant temporary and permanent injunctions in such cases in order to prevent violation.

In the case of RealNetworks Inc. v Streambox, Inc.¹⁶ the plaintiff developed and marketed software products that allowed owners with video, audio and other multimedia content to send it to other computer users. It also makes products that allow consumers to access video and audio content by means of a process known as “streaming”. The defendant, Streambox, provided the means for end-users to access, and download and descramble the plaintiff’s files and to make digital copies. The plaintiff’s business was harmed because of its ineffectiveness against the defendant’s overriding capability. The issue was whether the defendant violated the DMCA, which prohibits the manufacture of a device that is designed primarily to circumvent a technological device protecting the right of the copyright’s owner. The court decided in the affirmative, preventing the defendant from manufacturing, importing, licensing and offering for sale the Streambox VCR and products designed to modify the plaintiff’s programmes designed to prevent unauthorized copying.

In Universal Studios v Eric Corley a/k/a Emmanuel Goldstein,¹⁷ the defendant was the publisher of a magazine, and also maintained an affiliated website focused towards hackers. The plaintiffs were the owners of copyright interests in motion pictures. In order to protect their investment in movies and other entertainment placed on DVD, the plaintiffs used the encryption scheme. To prevent DVDs from being copied, a technology known as the Contents Scramble System (CSS) was designed. However someone posted the Decrypted Content Scrambling System (DeCSS) on the internet to enable DVDs to be played on the

circumventing a technological measure that effectively controls access to a work protected under this title; (B) has only limited commercially significant purpose or use other than to circumvent such technological protection measures that effectively controls access to a work protected under this title.”

¹⁵ Section 1201(3) DMCA.

¹⁶ 2000 U.S Dist. LEXIS 1889 (W.D.Wa.2000)

¹⁷ 2001 Copr.L.Dec. P 28, 345 available at Westlaw accessed on 29.3.2004.

Linux operating system. DeCSS spread very rapidly throughout the internet both for entertainment and for study as a part of the operating system. The defendant posted a copy of the DeCSS on his website. The plaintiffs brought an action against the defendant seeking injunctive relief under the DMCA. The court held that an injunction was highly appropriate in this case. The court observed that DeCSS was harming the plaintiffs for several reasons. First, the plaintiffs were now exposed to the possibility of piracy and therefore were obliged to develop costly new safeguards for DVDs. Secondly, even if there was only indirect evidence that DeCSS availability actually facilitated DVD piracy, the threat of piracy was very real, particularly as Internet transmission speeds continue to increase. Fair use¹⁸ was not raised in this case because the defendant did not claim to be making fair use of any copyrighted material. The possibility of using fair use defence was not considered by the court as it was not raised. The defendant is barred from trafficking in a decryption code that enables unauthorized access to copyrighted materials.

Malaysia:

The law on circumvention of effective technological measures in Malaysia is stated in section 36(3) of the Copyright Act 1987. This section is based on Article 11 of the WIPO Copyright Treaty (WCT) which provides that the contracting parties to 'provide adequate legal protection and effective legal remedies' against circumvention of TPMs. Under section 36(3) "the copyright is infringed by any person who circumvents or causes any other person to circumvent any effective technological measures that are used by authors in connection with the exercise of their rights under the 1987 Act and that restrict acts, in respect of their works, which are not authorised by the authors concerned or permitted by law."

In order to provide intellectual property protection in cyberspace Malaysia treats any act of circumvention as an infringement of copyright. The acts of circumvention or causing anybody to circumvent are considered infringing activities under Malaysian Copyright Act. The Malaysian Copyright Act does not define the terms 'technological measures' and 'effective'. Thus, under Malaysian law, the copyright owners rights are protected by

¹⁸ See Chapter 2 at page 112-124 of the thesis.

section 36 (3) of the Copyright Act and that section meant to stop anyone circumventing technological measures adopted by website copyright owners to restrict unauthorized copyright acts. Furthermore, the Malaysian Copyright Act does not provide any limitation or exception to the right of the copyright owner.¹⁹

Conclusion:

The purpose of Article 6(4) of the Information Society Directive, upon which the UK law is based, is to make provision for the interplay between, on the one hand, legal protection for TPMs used by right-holders to protect their works and, on the other hand, the need for users to be able to benefit from certain exceptions in national laws which are permitted by Article 5 of the Directive. It has to date been a source of major variation as between national implementations of the Directive.

In the United Kingdom, the new provisions relating to TPMs may prove difficult to apply in practice because they are complex. In particular, the system provided for the Secretary of State is inadequate, burdensome and is likely to prove to be unworkable in practice. The complaint procedure is time-consuming because the Secretary of State may be flooded with complaints. It is also impractical if a complaint has to be made every time a technological measure needs to be circumvented.²⁰ The power is to act where the permitted act of the user appears to have been prejudiced is rather unlikely to be used to any great extent and it may be that voluntary agreements or licensing schemes provide the best solution.²¹

As far as Malaysian law is concerned, section 36(3) refers to the act of copyright infringement. However there are no limitations or exceptions to such an act. Section 36(3) deals with technological measures which have been used to restrict acts in respect of copyrighted works, such as copying and communicating to the public without authorisation from the author or permitted by law. In cases where fair dealing applies, although such acts are not authorised by the author but are permitted by law, they are not considered to be infringing acts. Therefore it can be argued that, although this is not expressly stated, section

¹⁹ Khaw, Lake Tee, Copyright law in Malaysia, 2001, second edition, Malayan Law Journal, Kuala Lumpur, pp. 183-186.

²⁰ Shah, Aashit, UK's implementation of the anti-circumvention provisions of the EU Copyright Directive: an analysis, 2004, Duke Law & Technology Review, no. 3, p.41.

²¹ Bainbridge, David, Using technology to protect copyright works, Computer Law & Security Report, Vol 2 no. 5, 2004, pp.369.

36(3) must still be read in light of the defences or limitations provided under the relevant provisions of the 1987 Act.²² Therefore if the acts of linking, framing and accessing/browsing the website are done for fair dealing purposes to the content restricted by TPMs, these should not be considered infringing acts because they are permitted by law.

²² Khaw, Lake Tee, Copyright law in Malaysia, 2001, second edition, Malayan Law Journal, Kuala Lumpur, pp. 183-186.

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